Daily Report

Latin America

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Thursday
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Cuba

Cuba: Castro Presides Over May Day Parade in Havana

PA0105145296 Havana PRENSA LATINA in Spanish 1401 GMT 1 May 96

[FBIS Translated Text] Havana, 1 May (PL) — Cuban President Fidel Castro is presiding over a parade of thousands of Cubans who today commemorate international labor day in this capital.

The march, in which approximately 1 million Havana residents are taking part, according to its organizers, is taking place at the Plaza of the Revolution, while other parades take place in the capital cities of the 14 provinces of the country.

The 1 May celebration takes place here as the culmination of the XVII Congress of the Cuban Workers Federation (CTC), which was closed last night by Fidel Castro.

Before the march started this Wednesday in Havana, Victoria Velazquez, first secretary of the Union of Young Communists of Cuba (UCJ), convened the World Festival of Youth and Students, which will be held next year on the island.

Cuba hosted a similar youth event in 1978.

Cuba: Border Guard Operation To Protect Territory

PA0105175596 Havana PRENSA LATINA in Spanish 1654 GMT 1 May 96

[FBIS Translated Text] Aboard a Cuban Warship, 1 May (PL) — Maritime Border Guard units today began an operation aimed at protecting the country's territorial limits after learning of a new provocation by counterrevolutionary vessels coming from Miami, United States.

An anti-submarine unit is heading that mission, which seeks to preserve the integrity of the territorial seas of the country, whose people are celebrating in the thousands 1 May, international labor day.

Local and foreign reporters are participating in the mission taking place in normal weather conditions, although the clouds are covering the sky and the sea is registering a strength of three to four knots.

At last night's closing of the Congress of the Cuban Workers Federation (CTC), President Fidel Castro stressed that his country wants peace in order to move forward in developing its economy, but warned that nobody should think that Cubans will allow themselves to be provoked or to yield.

In his speech, Fidel Castro denounced what he termed the reckless, proud, and arrogant attitude of the enemies of the revolution, and noted that the U.S. Administration has no ethics and has not thought of the hornet's nest that would be stirred in the face of any armed attack on Cuba.

That is a possibility included among the plans advocated among Miami's extreme right-wing Cuban-Americans, who have an acknowledged influence on the U.S. Government.

Cuba: National, Foreign Reporters To 'Verify' Violations

PA0105191596 Havana Radio Rebelde Network in Spanish 1700 GMT 1 May 96

[From the "National Radio News" newscast]

[FBIS Translated Text] While all of our people are celebrating International Labor Day and following the success of the 17th Congress of the CTC [Cuban Workers Federation], counterrevolutionary groups from the United States have announced a new flotilla in open provocation of our dignity.

Reporter Gisela Bel Heredia now gives us more details:

[Begin Bel Heredia recording] With the purpose of confirming if such an announcement materializes, a group of national journalists and foreign correspondents are now traveling aboard a ship of the Border Guard Troops, which is guarding territorial waters to prevent any violations.

We are traveling aboard the 321 submarine chaser of the Cuban Revolutionary Navy, and we are sailing 12 miles from the northern coast of Havana. The reporters will have the opportunity of observing if any violations are committed, and if such is the case, it will observe who is the aggressor and who is the victim of the aggression.

At this time, the sea is registering a strength of two knots, although weather conditions might vary closer to the 12 miles area.

I repeat: National journalists and foreign correspondents are now traveling aboard a ship of the Border Guard Troops to verify if the naval flotilla coming from the United States commits any violations. [end recording]

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Cuba: CTC Congress Session Held 29 Apr

PA0105215096 Havana Tele Rebelde Network in Spanish 0035 GMT 30 Apr 96

[Proceedings of the 29 April session of the Cuban Workers Federation, CTC, Congress at the Convention Palace — recorded]

[FBIS Summary] At the beginning of the 189-minute recording, CTC Secretary General Pedro Ross Leal, who serves as the moderator, announces the resumption of the CTC session.

President Fidel Castro says he is a "casualty of the sugar cane war because in the August 1970 harvest I hit myself with a machete, but I do not recall on what foot; I think the left one."

Castro and Ross go on to exchange views with cane cutter Dimas Marato Brown on the latter's daily activities. Brown talks about his work at various Basic Cooperative Production Units, UBPC, on a volunteer basis. Ross urges Brown and others to establish their own UBPC.

Delegate Luis Enrique Suarez discusses aquaculture in Pinar del Rio Province. He says this province aims to breed 2,670 metric tons of fish in 1996 as opposed to 978 metric tons in 1995. He mentions the construction of ponds for semi- and super-intensive breeding. Suarez also talks about the combination of rice growing and aquaculture. He calls for the use of other rice fields for aquaculture.

Delegate Oscar Rivero reports on results of aquaculture in his Camaguey Province. He says the goal is to breed 9,428 metric tons of fish in 1996. Castro asks how much is caught in reservoirs and in tanks. Rivero says more than 6,000 metric tons should be caught from the reservoirs. Castro underscores that semi- and super-intensive breeding methods in ponds are very costly. He calls for more breeding in reservoirs.

Castro and Rivero go on to discuss the damage caused by 10,000 vessels that fish in Cuban waters in an indiscriminate and disorderly manner. The president wonders about a possible overexploitation.

Delegate Villamil says fishing, maritime, and port sectors contributed 12 million pesos to the economy in 1993; 26 million pesos in 1994, and 46 million pesos in 1995. He adds that increased efficiency allowed ports to handle 979 vessels, 19 percent higher than in 1994. Villamil also reports a 23-percent increase in cargo operations.

Fishing Industry Minister Orlando Rodriguez Romay notes previous delegates made the mistake of focusing on intensive and super-intensive fish breeding, because this year's goal of 42,000 metric tons of fish is based mostly on reservoir breeding throughout the country. He clarifies there is no plan to abandon reservoir breeding.

As for the disorderly manner in which vessels are fishing, the minister notes: "You called our attention to that. That was one the strongest observations that Comrade Lage made during his annual assessment. General Ulises, minister (as heard) of the armed forces, also called our attention to this. About a month ago, the Executive Committee of the Council of Ministers approved the creation of the National Fishing Inspection Office that will have 177 fishing inspectors. We are in the process of approving a new General Fishing Law to bring order to the fishing sector; we are talking about genuine order. You asked how much is taken away from us. We estimate that we lose between 300 and 500 metric tons of lobster each year. We do not know how much fish."

Vilma Espin, president of Cuban Women's Federation, brings up the issue of prostitution. She condemns this activity because it goes against everything achieved by the revolution, especially for women. Espin also calls for punishment for parents who encourage their children to ask for alms from tourists or to prostitute themselves.

Castro notes the country started to exploit tourism after much thought because of the problems inherent to it, including prostitution. He points to health problems related to prostitution, among others, as one of the scourges. The president says that workers in the tourism sector are best positioned to fight these problems they witness on a daily basis. Castro adds that campaigns have been aimed against Cuba, but the lack of crime, drugs, among others, favors tourism in the country.

He adds that this could turn Cuba into one of the world's main tourist centers. Castro notes that he understands a number of measures are being adopted to solve these problems. The president says that tourism is growing so much that gross profits produced by tourism are larger than that of sugar. He points out that tourism financially supports many factories and industries. Castro urges everyone to cooperate with this effort.

A delegate, who is identified only by the name of Luisito, is the next delegate to speak and changes the topic of the discussion to that of electricity. Luisito refers to the generation of electricity and specifically to the maintenance work on the Antonio Guiteras Thermoelectric Power Plant in Matanzas. After pointing out that the workers are very efficient and have maintained great stability at the plant, he announces French advisers will be helping Matanzas workers to conduct a 40-day maintenance job starting 13 May. He concludes by reporting that the Matanzas plant is operating at 97 percent of its capacity.

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Moderator Pedro Ross Leal introduces the next speaker at 0158 GMT. The speaker is another electricity worker identified only "Stuart."

Stuart recalls how problems in the electric sector have improved due to the workers' efforts, to the point that "availability of electricity is currently 57 percent." He says the system's fuel consumption has "dropped 13 grams per kilowatt/hour," which is significant considering current oil prices. Referring to the cost of electricity, he says the price of oil "represents 60 percent of the cost on the world market but 85 percent of the cost in Cuba," so workers strive to cut costs. Stuart also explains how workers have maintained and improved efficiency levels throughout the years, and this includes providing high quality maintenance to a Japanese generator, "saving the $40,000 it would have cost to bring a Japanese technician to supervise the work."

Ross says that Esteban Rodriguez from Havana will make final remarks on the topic before the end of the discussion.

Rodriguez says the port of Mariel is an important industrial municipality with "17,000 workers, a 17.6-percent overall growth in 1995, and a 7.6-percent growth for the first quarter of 1996." Talking about the Maximo Gomez Thermoelectric Plant in Mariel, he says it was instructed to start burning Cuban crude oil from Matanzas in 1986 despite its negative characteristics, including high viscosity and an average 6-percent sulphur content. He says the plant had burned "1.6 million metric tons of crude oil by 1995" and, if compared with the cost of imported fuel, this means the country has saved "about $47 million." Rodriguez says the plant's consumption for the first quarter "totals 379,000 metric tons of crude oil, 73 percent of the 479,000 metric tons planned to generate 1.9 million megawatts this year."

Ross introduces Comrade Freddy Castillo Gonzalez from Villa Clara at 0208 GMT and adds that Comrade Lazaro Rivero of Antillean Steel Enterprise will follow.

Castillo talks about Villa Clara's metalworks industry, which depends mostly on imports, and efforts exerted so the industry was not disqualified, or the factory closed, during the 1993 depression. He says that the industry experienced a slight recovery in 1994, "it achieved a 29.7-percent growth in 1995, and a 26-percent growth has been reported during the first quarter of 1996." Castillo says the industry is now "capable of absorbing surplus personnel," adding that no funds have been given this year to the mechanical plant that needed a subsidy of 13 million pesos in 1994. Moreover, services to the workers have continued throughout the time and strategies are being planned with the Sugar Ministry, nickel plants, and other sectors to further revive the industry, he added.

Castillo says the industry continues to manufacture traditional articles and the foreign currency collected from those sales are used to finance other activities. He says Villa Clara has played a particularly important role during the special period because its workers "built and now operate the first bicycle factory with modern technology." Castillo also mentioned the Camajuani factory that manufactures all kinds of plows pulled by animals. He says the factory is not doing well due to lack of materials, and this is particularly negative now that the plows are so necessary.

Castro asks about the Chinese fan factory and Castillo says it is capable of manufacturing 60,000 units per year. Castro, Ross, and Castillo discuss operations, sales, and possible revenues.

Castillo also provides details on the number of workers in three bicycle factories: The INPUD, National Industries for Domestic Products and Appliances, the Caibarien Bicycle Factory, and the Minerva Bicycle Factory — formerly a truck repair plant that is now capable of manufacturing 150,000 bicycles per year.

Another delegate identified only as Ignacio refers to the INPUD and the way its facilities were used to manufacture the first bicycles on a provisional basis. He says it also manufactures fans, stoves, and coffee pots; and it hopes to resume production of refrigerators to replace the production of bicycles. Ignacio explains that there other bicycle factories in (Linivente), Fomento, Holguin, and Guantanamo, so they are capable of manufacturing the 650,000 units Castro suggested, provided they have the necessary resources. He explains that they intend to manufacture no less than 250,000 units this year.

Castro asks about the manufacture of motorcycles and Ignacio responds that 350-cc motorcycles and (words indistinct) motorcycles are being manufactured at the Ramon Gonzalez Corro Factory in Luyano, which was formerly used to manufacture small construction equipment. He says they are currently developing a motorcycle for the police.

Referring to the fans, Ignacio says the goal is to manufacture 200,000 units this year for sale in foreign currency stores. He says they are doing this in a competitive manner because they also manufacture the motors. Castro and Ignacio discuss the fans' quality, price, and models; the fact that they spend about $11 in components for each unit; and the fact that they work with credit from the PRC. Ignacio reassures Castro that the fans are in high demand at the foreign currency stores, which are the main outlet.

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Ignacio also explains that the foreign currency stores provide credit for the manufacture of Daewoo television sets, which are being installed in most hotel rooms as well as being sold to the public.

Castro jokingly asks when they will manufacture automobiles and he teases Ross about his predilection for Russian-made (Moskovich) automobiles. Castro asks about these vehicles and Ignacio says there are currently 350 or 450 broken down units throughout the country, adding that more than half of the Ladas are broken down as well. He recalls how they talked about 700-odd broken down U.S.-made cars at previous congresses.

Castro talks about the need to repair vehicles, to reduce the total of broken down (Moskovich) automobiles, and the chance of getting some new models. He also says that the 50-cc motorcycles built in Cuba are being assigned to tax auditors and inspectors so that they may fulfill their role. He says these motorcycles are better than the Soviet-made (Karpaty), because the former have pedals in case the motor stops. Castro says that the small motorcycles will not be sold in stores and neither will the automobiles, even if the people have the money, because they are intended for workers and others, depending on their social role.

Castro says that no more Russian-made Ladas will be imported; adding that 1,000 of these vehicles were brought to the country and they lasted five years. He says they will now choose carefully, based on the vehicles' cost and quality, and they will try to standardize the models rather than having 50 different types. Castro says: "What does a minister need? A vehicle. Today he has a Lada and he will have a Lada as long as they last. Some ministries have resources, they have new enterprises and factories, and they need new vehicles. We are looking into this. What should a minister have? Imagine we are seeking a car for a minister. The cheapest and most modest model possible. You know very well that a minister cannot be given a different car simply because he is a minister. That has never concurred with the revolutionary philosophy. If a minister has to go to Camaguey or Villa Clara he has to travel in a car that takes him there, that uses little fuel, and does not have the slightest look of luxury. We must be extremely careful about the type of car an enterprise must have, or what type of van or station wagon, and which are the best ones, and which are the most economic ones, and which are better priced and have the best quality. We will not purchase a rattletrap that breaks down the same day. All that has been examined."

Castro continues to discuss the issue of vehicles and the fact that the most economic models should be purchased. He also talks about diesel models and the advisability of purchasing them, despite the noise they make. Castro also talks about Zil 130 models that are still around and the fact that their motors can be changed, that they are strong, and that they can pull heavy loads. He says it is cheaper to change the motor of a vehicle than to spend resources in a new one. Castro also talks about the need to change tractor and truck motors. He says the country's overall transportation sector must be refurbished and this can be done by implementing the same ideas used with the sugar mill combines.

Castro and Ignacio then talk about refurbishing KTP2M combines with a Mercedes Benz motor and they discuss the costs involved. Ignacio explains that the basic reconstruction costs $15,000 and, if the motor must be changed, it involves a total of $35,500 or $36,000 per unit. Castro, Ignacio, and Agriculture Minister Alfredo Jordan exchange viewpoints on the refurbishment of combines, tractors, and motors, and the cost involved.

At 0255 GMT Castro talks about his experience as a vehicle and bicycle driver. He recalls that he collided with a lamppost when he tried to ride a bicycle; adding that he drives a vehicle very well and he drove a Jeep when the late French President Francois Mitterrand came for a visit. He also recalls the time when he tried to drive a compact car and jokingly explained that his legs got in the way.

Castro returns to the issue of the bicycles and says practically everyone has one; adding, more than 1 million bicycles have been purchased from the PRC, not to mention the ones manufactured in Cuba. He and Ignacio continue to talk about bicycles, their quality and cost, repair costs, and related topics.

At 0306 Castro talks about the distribution of bicycles among the students, workers, unions, and other sectors.

Ross announces the participation of Gerardo Reyes, who leads the Santiago de Cuba Contingent in Ciego de Avila, at 0317 GMT.

Reyes praises the work carried out by his contingent, mostly comprised of unemployed people, and says women played a prominent role in the agriculture sector. He says that most had never seen a potato plant, yet they have managed to produce 10,000 quintals per caballeria this year. Reyes discusses the assorted varieties they have harvested and he emphasizes the hard work involved, considering most were inexperienced workers. He explains that they will now try their hand with cucumbers and they expect to harvest the first ones in 30 days.

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Castro and Reyes talk about the potato harvest and the plans to raise cucumbers, sweet yams, and cabbage. They talk about sowing schedules, land preparation, use of fertilizers, and related issues. Then they talk briefly about plans to fulfill housing needs.

At 0333 Castro says: "We know that Santiago de Cuba does not have enough land for a potato crop or to produce food for its large population, given the mountain terrain. There was no land (in Santiago de Cuba) but Ciego de Avila did have the land. However, Ciego de Avila lacked the men, so the logical thing was (laughter heard in the background)... Are you so sensitive to that phrase? (laughter heard in the background) Does anyone here doubt that there are men there? (people shout: "No!") (Ross says: "No, absolutely not!") I meant men for the potato crop, to till the land. (Castro chuckles) I meant there was no manpower. Let's say it like that. Sometimes we use certain words when we talk fast but you understand — yet you use the opportunity to laugh, no? As if anyone could harbor any doubts.

"In other words, they lacked the land over there and here we had a surplus of land. I believe this is one of the programs that has achieved the best results. Comrade Lazo was in Santiago de Cuba at the time. (applause) He understood that....(pauses) He was sowing plantains over in Laguna Blanca and other places; and that type of movement (words indistinct). How many things! The same thing has happened in Jaguey Grande. A few men have built more than enough schools. Part of them are being used to house the workers.

"What efforts have been exerted by the people from Santiago de Cuba, and I believe some Ciego de Avila people have helped. How many Santiago de Cuba residents do you have in Ciego de Avila? (Reyes answers: "More than 2,000 workers in Ciego de Avila — including the architects.") This has been quite a feat. The ideas you are implementing, and the way you countered problems with scheduling and the weather, is truly an example. This shows the country's potential in the agriculture sector. What the comrades in Villa Clara and the comrade from Sancti Spiritus said about....(pauses) No, what they did in Cienfuegos is something incredible. An average of 9,000 quintals; that must be studied to find our how they did it, what fertilizer they used, if the fertilizer used this year is of a better quality, if it has a higher nitrogen content, if it is from a much more serious industry — all that. Also, what happened in other years, what was done this year to get 9,000 quintals in 46 caballerias? This is really impressive."

Reyes expresses his gratitude to the people in Ciego de Avila and he emphasizes his province's conviction that it will earn the right to host the 26 July festivities.

At 0344 Castro and Amelio Reyes discuss potato production in Ciego de Avila.

Cuba: Castro Discusses Resources at CTC Congress

PA0105155196 Havana Tele Rebelde Network in Spanish 0035 GMT 30 Apr 96

[Discussion between Cuban President Fidel Castro and unidentified delegates to the Cuban Workers Federation, CTC, Congress in Havana on 29 April — recorded]

[FBIS Translated Text] [Castro] We must resort to motorcycles for the use [words indistinct] if the bicycle has been for general use, the motorcycle has been for revolutionary use. Let this be clear, even if [words indistinct].

[Unidentified speaker] If they are distributed in the unions they are going to wind up in the hands of revolutionaries.

[Castro] I am sure of that, but...[interrupted by ovation]. What about the person who makes them? Are you going to keep one for him?

[Unidentified speaker] Yes.

[Castro] Those made by the union members [words indistinct].

[Unidentified speaker] I am not requesting them for the cadres... [pauses]

[Unidentified speaker] If they agree, how are they not to agree?

[Unidentified speaker] For the workers.

[Castro] I want you to tell me if they have been distributed to individuals other than students and workers.

[Unidentified speaker] The automobiles [words indistinct] the work centers.

[Castro] Yes, the bicycles are not sold in stores. All bicycles distributed in this country have been distributed at student and work centers. [Words indistinct] such and such ministry. If the ministers get 10,000 or 15,000, they distribute them. I imagine that, as a rule, they do consultations [words indistinct].

If they are distributed to the agricultural sector, then they are also given to the ANAP [National Association of Small Farmers] and the UBPC [Basic Cooperative Production Units]. How were they distributed to [words indistinct]?

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[Unidentified speaker] Through the unions based on [words indistinct].

[Castro] The agricultural sector has shared them with the unions. Let us hear applause for the agricultural sector. [applause]

[Unidentified speaker] Practically... [pauses]

[Castro, interrupting] Aren't they consulting with you? Listen, those who do not consult with the union are not intelligent. [applause] [words indistinct] This is historical in the revolution: How was the mini-brigades' housing distributed? [pauses] I am speaking about this. [laughter] How was the mini-brigades' housing distributed?

[Unidentified speaker] They are still distributed. It is done by the union. It is the labor union that does that.

[Castro] Not in the special period. How were television sets distributed in this country for many years?

[Unidentified speaker] Through the unions.

[Castro] Until they were freely distributed. I am speaking of the past.

[Unidentified speaker] And when they were freely distributed...

[Castro, interrupting] When the television sets were freely distributed, it made no sense to do it.

[Unidentified speaker] The thing is that there were two prices.

[Castro] The washers and television sets, all those electrial appliances people prized so much, were distributed through the unions.

[Unidentified speaker] Even when they were freely distributed, Commander, because they had two prices: Those sold through the network of stores were more expensive than those distributed through the unions. We distributed 130,000 television sets. Even in the year...[pauses] Even during the special period we distributed the last television sets. They were assigned to the (Niquel), to certain scientific centers, the Cimeq [Medical-Surgical Research Center], in the [words indistinct] that even now...[pauses]

[Castro, interrupting] There are things that cannot be sold in dollars because they have a very important social value. There are things that must be devoted to the revolution and the revolutionaries. I want you to know that we could make money selling motorcycles, filling this place with motorcycles. But whose hands would they be in? In the hands of the individual who set up a restaurant at home and earned thousands in a few weeks. Then, he can go out and buy himself the biggest motorcycle.

There is no wacky marketing policy [mercachiflismo] or anything like that there. Products have a relatively high price there, but all that difference is for the sake of our national economy; this is the case of the system of stores to draw foreign exchange.

There are many things, or a number of important things that are not for sale in those stores. Nor can anyone come to do business in this troubled period to collect money to obtain the things that a worker cannot afford. All right, he possesses things that a worker cannot afford. All right, he has things a worker cannot own today. He has an abundance of resources, merchandise, staples, and all that. But he does not purchase a car with money sent by relatives or a motorcycle and other articles that are not sold in those stores. Not even with the large necessities.

There is, then, a policy involving changes, reforms, innovations, measures taken. Beware the surging of a powerful class here during the special period, which can own things the workers cannot afford.

The ones you see driving around, of course, still drive 40-year-old jalopies. There were times — and I believe this to be a mistake — when cars were also sold with the promise that they were fuel-efficient and 20 other things. Some car owners cannot sell the cars they own. Tens of thousands of cars were distributed to workers nationwide at cost with a seven-year period to pay. But it was forbidden for them to sell their cars, because some of them, and I, unfortunately, heard about some cases, were instantly offered 30,000 pesos for a brand new car. They could not sell them. All the cars that were sold were sold illegally, breaking a contract.

It was established that the motorcycles that were distributed could not be sold. More than 100,000 motorcycles must have been distributed to workers nationwide. Naturally, some owners sold their motorcycles, but they were prohibited from selling them. So the revolution took special care to preserve things for the workers, even in these difficult, difficult conditions. These principles are being maintained as much as possible.

These things will not be for the persons who became rich. These are used, first of all, for the services of the revolution. I already mentioned the auditors and the inspectors. We need those auditors to move around and control. We also need inspectors for the inspectors. I hope we will not need to have inspectors for the inspectors of inspectors. [crowd laughs] We hope that will not be the case, but you know how life is.

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They are being carefully chosen; they are being trained. It is well worthwhile to have a few thousand to encounter those nouveau riche, and collect.

If we do not do that, what will we use to pay for schools and hospitals? We need that money for social security, for the hospitals, and for the schools. Our state has huge social expenses. That is why all state enterprises must be efficient, because they collect for the state.

We must defend state revenue and income — as Ross says — with our fingernails and teeth. These are the resources needed for paying for child care centers, schools, and hospitals. We learn about these things during times such as we are experiencing now.

Well, Ross, we have devoted all this time to the mechanical industry, inasmuch as you are requesting automobiles. [applause]

Cuba: Castro, Women's Leader on Prostitution

PA0105140696 Havana Tele Rebelde Network in Spanish 0035 GMT 30 Apr 96

[Discussion between Cuban President Fidel Castro and Cuban Women's Federation President Vilma Espin at the 29 April session of the 17th Cuban Workers Federation Congress in Havana — recorded]

[FBIS Translated Text] [Espin] I am expecting my sixth grandchild, and I have to go to the hospital.

[Unidentified speaker] Look...

[Espin, interrupting] I said I am expecting my sixth grandchild, and I have to go to the hospital.

[Castro] You did not have to tell us, but I am pleased you did.

[Espin, laughing] This is why I am in a hurry. [applause]

[Castro] This is, Vilma... [pauses] Vilma, this is your speech on the sixth grandchild.

[Espin] No, it is not on the sixth grandchild; it is on tourism. It is about a speech a comrade delivered against those, as the comrade said, those who in the tourism industry — in other words, tourism workers or those who work in the tourism industry — believed that the existence of prostitution and prostitutes could be beneficial for the country and for tourism. Naturally, we had to flatly oppose this assertion. There has even been a great deal of propaganda against revolutionary and socialist Cuba, even by involving Fidel, to the effect that due to the special period and the economic situation we are experiencing, Fidel has been forced to allow tourism to prosper. Look at the campaigns they are conducting against Cuba and how they can adversely affect the morale of those who do not realize, who do not know...

[Castro, interrupting] [Words indistinct] force me to what?

[Espin] This is what they have said about you in PLAYBOY magazine. Yes, PLAYBOY magazine.

[Castro] [Words indistinct] of tourism?

[Espin] That you have been forced to promote tourism and prostitution. This is what PLAYBOY magazine has stated.

[Castro] Gee, thanks. I have too many merits. [crowd laughs]

[Espin] Well, campaigns so rude and inconceivable for us are being conducted around the world, campaigns against Cuban women. In Spain, there is a commercial showing horrible pictures of girl prostitutes. The truth is that we have to wage a battle against this, and we are doing it. If all tourism workers fail to wage this battle, then it will be a very difficult battle. It is true that this is where it all really started; we all have to face it. We all are working. From the legal standpoint, we are strengthening the laws. Pimping [proxenetismo], which had disappeared from the Penal Code against my wish... [pauses] the National Assembly... [pauses] it had remained a mere misdemeanor, which we thought was too weak. Well, we indeed have to be as tough as possible.

Nevertheless, we must realize that a pimp is anyone who profits from a male or female prostitute, lives off him or her, and profits in any way from this relationship. Many tourism workers — these must be those who have been criticized — have been profiting by facilitating, promoting, or simply opening the doors to pimps with their small groups of girls to distribute them in hotel rooms, a situation every one of you knows about.

We must think very clearly on this subject. No one in this revolution ever even stopped to think whether this practice was permissible, because prostitution is one of the things that the impulse and purity of the revolution got rid of in the early years. And this social scourge disappeared. Through Fidel's words in the book "History Will Absolve Me," every opportunity was given to those women. Ah, but those women were honorable. Those women had turned to prostitution to buy medicine to keep their mothers alive and to keep their children from starving because of the extreme poverty that was prevailing. It was impossible to go to a doctor or send a child to school, because there was no money. Well, many of those women accepted the job opportunities we offered them and incorporated

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themselves into society. They learned a trade, got married, had children. You know all those stories, because most of those women are still alive. And many of them tell these stories to illustrate how beautiful the revolution is.

We cannot throw all of this overboard. But we are not dreamers. Families of criminals, families of very low moral standards, have lived all through these years. This is why we have prostitutes and thieves. We must fight strongly against this. We are grieved when tourists come for this purpose. Right here in this hall, during a meeting to discuss primary health attention, when many friends of Cuba, including doctors, nurses, tourism and medical workers, were here, this subject was brought up for discussion by all commissions I worked in. A Colombian doctor asked me: Companera, what will you people do in Cuba against sexual harassment? Because we are sexually harassed, sometimes very grossly. And the men seem very convinced that we must submit to this provocation. But we are interested in this. There is no doubt that riffraff just attracts riffraff. From an economic or moral viewpoint, this practice will never be positive, and we cannot permit it.

In other words, this is the tourism of misery, cheap tourism. Journalists who have flown with those people who board their planes at Barajas Airport or a Mexican airport — whose number is the largest — and come attracted by this sex tourism, have reported to us that they, the journalists, have been sickened by what those tourists talk about. And what do they say? That the women here are the prettiest and the most cultured. Of course. They have been made that way by the revolution, because they went to school, had access to doctors, and everything. These women are also said to be the healthiest, but at the same time the least expensive. And they bring small gifts in small bags.

Well, this riffraff can stay away from here. What can they give us from an economic viewpoint? In addition, our tourism must be one of quality, and every one of you must work for this purpose. Our tourism must be of a very high quality, taking advantage of the wonderful natural resources we have and cultural resources, such as the ballet, theater, and guitar festivals. We can invite more people, because these activities bring more money. I hope we can fill up our five-star hotels. I believe we can still come up with much more, because this country's potential lies in moral and cultural resources, showing the good and the beautiful things we have. Look, many tourists — and I know because they visited the Federation — want to talk with the people, most of all. They want to know about this miracle of the revolution.

When, in the early years of the revolution the people learned that scourges such as gambling and prostitution had been eliminated in Cuba, the revolution's prestige increased enormously. We must keep winning this battle. Tourism workers are the first ones who must wage this battle everywhere, at the workplace in particular. As head of the Federation of Cuban Women, I have been called upon on several occasions — because of the battle we have waged against prostitution — to meet with the comrades working in hotels and the prevention commission. Let us work with these workers, male and female, who are waging the battle and who say, as the comrade says, that there are others in the workplace who sometimes sabotage their work.

As Ross said a while back, speaking of robbery and corruption, some people try to pressure the workers, but this cannot be permitted. You people are also to fight this battle as revolutionary workers so scourges and robbery and all that harms the revolution can be eliminated. We must struggle. There are some activities whose moral level is so low that it is worse than prostitution.

I mean selling children, for instance. This is a type of robbery in addition to prostitution. But we must not just fight these families, but those parents who, not only tolerate, but incite girls and boys — there are plenty of the latter — to become prostitutes.

Some are in an even worse condition: Those who corrupt children early in their lives by teaching them how to beg for money and to harass tourists. We must put an end to this. [applause]

We expect a lot from you. We expect to work with you and all the other healthy forces of this socialist society to eliminate, as far as possible, this scourge that became strong because of our weakness. We must strongly combat these families, pimps, and everyone who promotes these things through the press, radio, television, or any forms of propaganda, and everything that undermines the high values of our socialist society. [applause]

[Unidentified speaker] Thank you, thank you, Comrade Vilma. You can count on the union movement's force for that battle. [applause]

[Castro] With respect to tourism, for 30 years it was developed only for domestic consumption. It took us a long time to decide to develop tourism, for we knew that certain problems would come with it.

We have had to do many painful things, including things that we were unwilling to consider, such as resource transfers from abroad and all that. Now, Vilma came to me at the end of the meeting complaining about

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the debates and some points and details she felt were omitted. So I asked her to bring them up at the meeting; however, prostitution is not the only problem that comes with tourism.

Some health-related problems associated with this type of phenomenon also come with it. Tourism puts us at risk of drugs, which are associated with this type of phenomenon. I hope that the organized mafia do not settle here, but they expose us to many things. This is no game.

We have to define tourism as we have always said and explained. If it is well associated, then the measures taken by the revolution motivated by the special circumstances can explain what we have promoted. I have told a few people that if we had Venezuela's oil resources, probably we would never have promoted tourism. The revolution has had to implement measures it deems indispensable for survival, including the development of tourism, that is, the country's natural resources.

Well, I believe we possess more natural resources than all the rest of the Caribbean islands combined. We could not forgo using those resources.

[Unidentified speaker] We cannot hear you.

[Castro] We could not forgo using the resources from tourism. I have also said before that we cannot live with our backs to the rest of the world, nor can we live in an ivory tower. I have said that virtues are cultivated or developed by fighting vices.

You know that this is one of the activities that has caused us a major headache here due to all of these factors, which we must continue fighting. Drugs, for example, and certain aspects of it, some [words indistinct] to transfer it to other countries. We are joining in the difficult struggle against all of the risks associated with tourism. But we will not be a country living in an ivory tower, and we must prepare ourselves.

It is true that one does not do everything, one does not do everything just for any reason. On countless occasions, this assertion... [pauses] We talked about this in the meeting held with all hotel managers and personnel on the measures to take, meetings held with the managers of joint enterprises or with those who have associations with us. There is a tendency to be weak, to allow things, to tolerate. We truly believe that the work of all of us — all workers, our public force, the Interior Ministry... [pauses] those who can play a decisive role in this, aside from the administrative bodies that take measures [words indistinct] are the tourism workers themselves.

It was said here: It is them, because who else is there, who is at the hotels, who is seeing everything, who is observing everything? As for some of the issues Vilma mentioned — the phenomenon of families begging and families monstrously deciding to prostitute their boys and girls... [pauses] This is a socialist country, because it cannot allow any of these things to happen.

This is not Spain or any of those countries, which have been [words indistinct] the steps [passage indistinct] within the revolution.

The revolution is going to exploit tourism with all available means. It is a resource which we cannot do without; it is like the sun. We must be able to exploit it with all the [word indistinct] available in this world. I believe that if we win the battle against any trend of this type — the creation of [words indistinct] or prostitution — we will have many more tourists.

These devices do not work; I do not know why. [crowd laughs] I said... [applause] Not now, because I am going to be hoarse, and my voice is somewhat hoarse. Two things: Either I lose my voice [crowd murmurs] or we seek an expert on this [taps the microphone]. Let us see if one of our listeners...

[Unidentified speaker, interrupting] [Words indistinct].

[Castro] However, you have a great voice. I can perfectly hear what you are saying without a microphone.

I said that the manner in which tourism is growing in Cuba is brutal. We now have to see what happens with the Helms-Burton law. We experienced the rafters crisis, a historic crisis for the country. It did away with the disorder of people coming into and leaving the country. Many little ships were used for this.

It made order prevail in a situation in which one could not even go to Regla without running the risk of ending up in Miami. It was enough to show a little revolver to divert a ship, and one cannot shoot at a ship.

There were serious accidents in which a great deal of propaganda against Cuba was used. It was a heavy blow. Barely a few months had elapsed when it started to [words indistinct] there is not enough room. This was one of the reasons for the criticisms of the builders of tourist hotels. It was widespread criticism of the construction sector.

There are many people renting houses, rooms, and all that. This is another inconvenience, and people rack their brains about how they can control this or how they can take some sort of control. There are families to which the revolution gave houses. The situation is certainly hard, difficult; it makes people seek a way

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out. There are people who are vagabonds, lazy, or who would rather live off this. They move in to somebody else's house and rent their apartment. This is a problem for us.

Now, there is incredible growth. There is an element that, for instance... [pauses] All this promotes our country's moral health. There is no crime, gambling, violent acts, crimes against tourists. All this happens in Florida and 20 other places, where tourists are kidnapped, where all these phenomena occur.

The order prevailing in our country helps us a great deal, just as a thief who takes away a tourist's purse harms us a great deal. Cuba's order, morale, and healthy attitude would make it possible for Cuba to become one of world's main tourist resorts and would explain the accelerated rate at which tourism is growing.

If we win this battle — and we must win it... [pauses] I understand — comrades have told me — that we are fighting against this now, starting from a number of meetings that have been held and measures that have been taken. If we want tourism to be a big source of revenues for this country and meet the needs of our people... [pauses] it is growing so much that its gross revenues are already more than those of the sugar sector. In addition, tourism has promoted the operations of a large amount of industries, which are already producing for this domestic tourism market.

There are many factories in the light products industry working thanks to the production tourism demands. Many of these companies are being promoted. What we want to do is to win this battle, and if we cannot win a battle of this type, we will be unable to win the battle for the survival of the revolution and for our country's socialism. [applause]

I think that we will achieve this if we all participate, because as you say... [pauses] What do you say?

[Unidentified speakers] Much can be done together.

[Castro] Much can be done together. [applause]

Cuba: Ross, Castro Comment on Last Day of CTC Congress

PA0105225296 Havana Radio Rebelde Network in Spanish 1700 GMT 30 Apr 96

[Report by Diosdado Masso from the National Conventions Palace; from the "National Radio News" newscast]

[FBIS Translated Text] The torch that lit the darkness of illiteracy that prevailed in Cuba — a problem the revolution eliminated through the literacy campaign — opened the sessions for the last day of the CTC [Cuban Workers Federation] Congress.

Within the framework of the commemorative program organized by the CTC and the Education Ministry, this torch [urna] has already toured eight provinces, visiting many work centers and adult education groups.

This was certainly a memorable moment for both participants and guests. After this milestone of remembrance, CTC Secretary General comrade Pedro Ross Leal took the floor. I understand that some people believe that our congress has not sufficiently criticized some things that have not turned out as expected in some of the country's work centers.

[Begin Ross recording] What congress has discussed topics more than this congress? We have discussed different topics for over a year. What congress can resolve the problems we have resolved here? No congress in the world could review and resolve the list of issues we have discussed with comrade Lage [Vice President Carlos Lage] and the government leaders. [Applause] We must feel overjoyed if we have outdone the results programmed for the harvest of potatoes. We cannot say this is bad. We must feel ecstatic if we are — after considerable effort — close to fulfilling our sugar plan goals. If Holguin residents [words indistinct] that the plantain or square-shaped plantain, which cost over 1 peso, is currently at 0.5 peso, we must also say so and be proud of it. [end recording]

This deafening applause was an expression of the delegates' agreement with the ideas voiced by Pedro Ross Leal, who, as president of the sessions, opened the scientific and technical discussion. Leonel Gonzalez, president of the National Association of Innovators and Efficiency Experts, said that we must prioritize our ideas on science and [word indistinct]. Today, we only retrain university professionals, but we must also retrain our technical workers at the work centers.

Gonzalez explained that we have technical workers who have many skills, but they are not experts on anything and when we need to develop our industry, we are forced to resort to foreign advisers. Gonzalez added that it is necessary to establish greater coordination among development centers, universities and the Cuban labor movement. Gonzalez indicated that a poorly trained leader cannot handle a technical study at any work center or work with another tehnical worker. Gonzalez's remarks prompted the participation of the most active delegate in this congress: Fidel Castro Ruz.

[Begin Castro recording] Everything is constantly changing in the world regarding technology and there is a heavy emphasis on the retraining of workers. This term should not worry us. Our universities were often [word indistinct] and the programs were effective. In addition, this figure you have mentioned could be both

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a reason to be proud or a reason to be scared. [Words indistinct] to sow the potatoes you have mentioned, because everyone wanted to have a university career. This cannot happen in any society. A person who does a job that does not lure others very much can receive better rewards. I believe that there cannot be any other solution for our socialist system than the economic reward. If everyone wants a specific job at the expense of other occupations, as I have said before, who will bury the dead? [Words indistinct]. Who will want to sweep the streets? This type of work has always been done by the immigrants. In Cuba, in some cases, [words indistinct] Third World immigrants. [end recording]

Fidel said the generalization of medical services has represented a contribution from the Cuban revolution, with the development of a general practitioner, who is practically in all our work centers. However, is this the case when we talk about the industry sector?

[Begin Castro recording] When Aizpu [not further identified] said that we had not been able to make this or that factory productive, I thought about the country's scant industrial tradition. I believe our traditional lack of discipline throughout these years must have also had some influence. The same goes for the tolerant, cushy, failure-to-make-demands lifestyle, with easy access to resources and abundant state subsidies. We have had all that. [end recording]

Cuba: CTC Congress Elects Secretariat, National Committee

PA0105182196 Havana Radio and Television Networks in Spanish 0030 GMT 1 May 96

[Statement by official identified as president of National Candidates Commission of the Cuban Workers Federation, CTC, at the closure of the CTC 17th Congress — live]

[FBIS Translated Text] Dear comrades [crowd chants slogans], dear unbeaten Commander Fidel Castro, comrades of the presidency [applause], delegates, and guests: At this ceremony to close the 17th Congress of the Cuban Workers Federation [CTC], in my capacity as president of the National CTC Candidates Commission [Comision Nacional de Candidatura al Congreso], I comply with the pleasant mission of revealing the agreements reached at the first meeting of the National Council held this afternoon.

Pursuant to the statutes this 17th Congress approved, the members of the Secretariat and National Committee of the CTC were elected. I will now read their names:

The CTC National Council elected comrade delegate Pedro Ross Leal as its secretary general to continue leading the Cuban labor movement. [applause, crowd chants: Pedro!]

The National Council also elected Comrade Francisco Duran Harvey as second secretary of the CTC. [applause, crowd chants slogans]

It also elected the following comrades as members of the National Secretariat: Ramon Cardona Nuevo, Olga Rosa Gomez Cortes, Diana Maria Garcia Martinez, Joaquin Bernal Camero, Luis Manuel Castenedo Smith, Leonel Gonzalez Gonzalez, Manuel Cordero Aguila, Blas Berriel Pena, Marta Cabrizas Alfonso, Luis Ernesto Brito Jimenez, Ernesto Freire Casanas, Irma Teresa Consuegra Viamontes, Luis Abreu Mejia, Francisco Castillo Falcon, Angel Villareal Bravo, Rodolfo Jimenez Polanco, Lena Margarita Sarda Noriega, and Armando Delgado Reyes. These are the 20 comrades whom the National Council elected as members of the CTC National Secretariat.

In addition to the secretariat members, the following comrades were elected as members of the National Committee as secretaries general of the National Committee of the Unions: Norma Ortega Navarro, Jose Antonio Roque Arias, Agustin Delgado Rodriguez, Manuel Rios Medina, Jorge Luis Justo Villamil, Juan Manuel Carbo Perez, Ramon Crespo Almeira, Lazaro Aguilar Gonzalez, and Fernando Perez Concepcion.

The following were elected secretaries general of the CTC Provincial Committees: Bernardo Oliva Gonzalez, Reinaldo Valdes Grillo, Pedro Alex Cuello, Angel Murphy Lozada, Osvaldo Martinez Rodriguez, Elio Castillo Costa, Roberto Marrero Pons, Omar Ramadan Reyes, Armando Plaza Olazabal, Daniel Rodriguez Verdecia, Rafael Mesa Bravo, Rafael Labrada Llamos, and Angel Perez Guevara.

The following were elected department heads of the CTC National Directorate: Haidee Montes Cabrera, Ada Benitez Colao, Roberto Santana Lozano, Arturo Cobo Acosta, and Joel Brito Delgado.

The following comrades were also elected members of the National Committee: Jorge Luis Canela Siurana, Oscar Lopez Munoz, Angel Luis Mena Kindelan, Jaime Salgado Labrada, Felicia Cedeno Rodriguez, Magalys Pinillo Cartaya, Adria Marisol Reyes Alonso, Silvia Martinez Fuente, Lazaro Rivera Altaloitia, and Jose Antonio Munoz Lombas.

These are the 56 [number as heard] comrades who make up the National Committee of the CTC. [applause]

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Cuba: Ross Reads CTC's Political Declaration

PA0105223396 Havana Radio and Television Networks in Spanish 0050 GMT 1 May 96

[Speech by Pedro Ross, secretary general of the Cuban Workers Federation, CTC, at the closing session of the 17th CTC Congress at the Conventions Palace in Havana — live]

[FBIS Translated Text] Dear delegates: Before reading the political declaration of the delegates to the 17th Congress, as a result of the trust you have bestowed on me, I only want to tell you we recall Marti's aphorism that all the world's glory fits in a kernel of corn. [applause]

Political declaration of the delegates to the 17th CTC [Cuban Workers Federation] Congress: The delegates to the 17th CTC Congress, in the face of the inspiring presence of our commander in chief, encouraged by the venerable memory of Jose Marti, Antonio Maceo, and Maximo Gomez, remembering the unforgettable personality of our founder and teacher, Lazaro Pena, and on behalf of the labor movement and Cuban workers, declare that we will struggle tirelessly to turn into reality the accords and resolutions of the 17th CTC Congress and the guidance we have received from the highest leader of the revolution, which are an intrinsic part of the grand event that concludes today. We will defend at any cost our national independence, socialist ideals, and the political power of the revolution, which is the power of workers. We support the strategy that the country's leaders have drawn and are successfully implementing in the difficult and complex current situation. It is a policy marked by its rejection of neo-liberal recipes and so-called shock therapies and strengthened by consensus in a gradual and orderly pace that does not allow the abandonment and traumatic effect on any sector of the population and workers. We will be able to maintain the unity of the labor movement under the new circumstances that are being created, in step with the historical tradition of Cuban unionism and the need to defend with utmost righteousness [vertebracion] the interests of workers in the more general context, as well as in matters that pertain labor unions and individual workers. We reaffirm our conviction that our iron-fisted national unity has been and is based on three [as heard] pillars: The prevalence of the socialist view on properties; production and distribution, which are the source of a true community of interests among the population's larger segments; society's political direction, which is led by a single party, our Communist Party of Cuba — the Cuban nation's visible soul — as was the party Marti founded last century; the existence of a democratic state and government that grows stronger and democratic by the day, capable of safeguarding our sovereignty and maintaining order, equality, and justice, as the Constitution states.

We will strive to upgrade the democratic participation by workers in the main decisions that deal with politics, working conditions, and economic and social activities at the work place and in society as a whole until this participation turns into a way of life, method, and style, particularly through assemblies to achieve efficiency and most of all in the discussions, preparation, and implementation of the economic plan. We shall earnestly strive to work to upgrade the standard of living and improve working conditions, create jobs, maintain the achievements of the revolution in the areas of health, education, social security, and others, and defend in the midst of changes and transformations the rights of young people and the equality of women.

We will continue to strengthen the country's fighting capability, aware that an armed action against our homeland has not been ruled out by the circles of power of Yankee imperialism and that only our military strength and the high price they would have to pay for such an adventure can dissuade them. We feel that, we feel [repeats himself] today from the bottom of our hearts the pride of being Cuban revolutionaries and belonging to a heroic people who have Fidel at the head, the invincible guide of a revolution [applause] that has had and has a destiny of accomplishments, constant struggle, resistance, and victory. To victory always! Fatherland or death! Socialism or death! We will overcome!. [applause]

Cuba: Castro Honors Chilean Communist Leader

PA0205010296 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 27 Apr 96

[From the "NTV" newscast]

[FBIS Translated Text] Commander in Chief Fidel Castro Ruz sent a letter of congratulations to Chilean communist leader and writer (Volodia Teitelbaum) on his 80th birthday.

The Cuban Council of State granted the renowned leader the Felix Varela order, which is, as the letter pointed out, the highest distinction awarded by Cuba in the cultural sector.

In his letter, Fidel Castro also highlighted the Chilean writer's productive and honorable life. Cuban ambassador to Chile (Aramiz Fuentes) handed (Teitelbaum) the letter, during a ceremony held at the Chilean communist party headquarters.

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Cuba: German Economy Official Arrives on Official Visit

PA0205010396 Havana PRENSA LATINA in Spanish 2329 GMT 30 Apr 96

[FBIS Translated Text] Havana, 29 Apr (PL) — Heinrich Kolb, secretary of state of the Economy Ministry of the Federal Republic of Germany, arrived today in Cuba on an official three-day visit.

Raul Taladrid, vice minister of Foreign Investment and Economic Cooperation, welcomed Kolb at Havana's airport.

During his stay in Cuba, the German official will sign an agreement to protect investments with Foreign Investment and Economic Cooperation Minister Ibrahim Ferradaz.

Thus far, Havana has signed 15 similar documents with its leading trade partners, including Russia, Italy, and Colombia, as well as several African and Caribbean countries.

The officials will discuss the possibility of negotiating new cooperation protocols and the key topic in bilateral economic relations: the tourism industry.

Approximately 60,000 Germans visited the island last year, which represents the second largest influx of tourists after the Italians.

A large delegation of businessmen visited this city in mid-1995, including directors of Mercedes Benz and the construction company Putzmeister.

Kolb's current visit takes place in less than 45 days after the approval of the anti-Cuban Helms-Burton law. Kolb is accompanied by Michael Krus, director of Latin American affairs for the Economy Ministry.

This legislation, best known by the last names of its authors, tightens the blockade imposed by the United States on Cuba for over 35 years and includes, among others, sanctions for individuals, companies and countries that trade with Havana.

Cuba: Lage Reaffirms Economic Opening to Foreign Capital

PA0205043196 Havana PRENSA LATINA in Spanish 2056 GMT 30 Apr 96

[FBIS Translated Text] Havana, 30 Apr (PL) — Carlos Lage, vice president of the Council of State, stated today that the process of opening significant sectors of the Cuban economy to foreign investment is moving ahead.

Speaking to the news media after the signing of a bilateral agreement on the reciprocal protection of investments by Cuba and Germany, Lage stated that proof of that trend are the joint ventures and partnerships operating in the country.

According to official data, some 630 firms from more than 50 countries now operate in Cuba, while joint projects worth nearly $2.1 billion are currently being executed.

Regarding the treaty signed with German authorities, Lage said it materialized after more than a year of elaborate and serious negotiations between the two countries.

Cuba: Roundup of Economic Developments Through 30 Apr

PA0105232196

[FBIS Report] The following is a compilation of reports on economic developments in Cuba monitored through 30 April.

According to a Havana, 26 April datelined report, Cuba's smallest hotel chain, Gaviota Tourist Group, Inc., increased its revenues by 50 percent in the first quarter in 1996 in comparison to the same period in 1995. Meanwhile, tax contributions exceeded estimates by 60 percent and increased by 70 percent in comparison to 1995 figures. Gaviota has signed management and marketing agreements with the Spanish hotel group, Occidental Hoteles, and with the French company, Club Mediterrane. (Havana PRENSA LATINA in Spanish 0426 GMT 26 Apr 96)

This year, Cienfuegos Province had a record potato harvest of more than 9,000 quintals per caballeria. This exceeds last year's harvest by 800 quintals per caballeria. (Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 24 Apr 96)

According to the Tobacco Workers Union, there is need for greater economic efficiency and increased exports. It has been estimated that this year's tobacco harvest will increase by 47 percent in comparison to last year. In a two-year period, tobacco production has increased by 10 million. (Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 26 Apr 96)

In Matanzas Province, citrus production has already exceeded last year's record of 242,000 tons. The citrus production target for this harvest is 300,000 tons of fresh and processed fruit, mainly for export. (Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 26 Apr 96)

Since 1992, a milk development project has been successfully implemented in five municipalities in Las Tunas Province in cooperation with the World Food Program, WFP. As a result, milk production has increased

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by 6 percent. In 1994, this province registered a record production of 27.7 million liters of milk. Over four years, the WFP has given Cuba 12,000 tons of powdered milk and 3,400 tons of butter, whose sales have created a fund of 35 million pesos in addition to the Cuban Government's contribution for an overall fund of some 58 million pesos. (Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 26 Apr 96)

Audits reveal that overdue taxes amounted to 72 million pesos during the first quarter of 1996, while tax collections from self-employed workers increased by more than 22 million pesos because of a higher number of taxpayers. (Havana Radio Rebelde Network in Spanish 1155 GMT 26 Apr 96)

At the end of the first quarter in 1996, on the Isle of Youth approximately 12,000 square meters of marble tiles were processed for export. (Havana Radio Rebelde Network in Spanish 1155 GMT 26 Apr 96)

The Steel Industry ended the first quarter in 1996 with an increase of 35 percent and a stable supply to meet the demands of the sugar harvest, agriculture, tourism, and oil production. This year's target is an increase of 30 percent over last year. The highest growth rates were registered in the production of machetes, motors, agricultural tools, and other products related to the sugar harvest. (Havana Radio Rebelde Network in Spanish 1155 GMT 26 Apr 96)

In Granma Province, the amount of tobacco that has been collected thus far represents 86 percent of estimates. The target for this harvest is 23,000 quintals of cured tobacco leaves. (Havana Radio Rebelde Network in Spanish 1155 GMT 27 Apr 96)

The (Villena Revolucion) Agricultural Polytechnic School, one of Cuba's oldest agricultural farming schools, said it will produce 500,000 liters of milk, 61 tons of beef, and 149,000 eggs this year. (Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 28 Apr 96)

Construction workers are working more efficiently with lower costs in the hotel construction projects in Ciego de Avila in response to a recent visit by Commander in Chief Fidel Castro. Some 1,000 additional rooms in four hotels are scheduled to be finished by late 1997. (Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 28 Apr 96)

Cuba: Correction to CTC 29 Apr Morning Session

PA3004221396 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 30 Apr 96

[Corrected version of item originally filed as PA3004041196 and published on pages 17-18 of the 30 April Latin America DAILY REPORT; explanatory notes describe differences from initial FBIS version — from the "NTV" newscast; passages within quotation marks are recorded]

[FBIS Translated Text] Important topics for the country's economy were debated today in the continuation of the 17th CTC [Cuban Workers Federation] congress. Commander in Chief Fidel Castro and Army General Raul Castro again chaired the labor event today.

The labor movement's activity in the tourism sector was reviewed during the morning session.

[First unidentified delegate] "Almost every time we talk about tourism we begin by talking about the things that make us different from other sectors. We say tourism workers have transportation, a good salary, they eat well — in other words, a group of requisites that they have and that favor them. We can say they are privileged workers in this country.

"On certain occasions we also talk about any case of corruption that may arise, about a selfish comrade, about any individualism. It is true that they exist in the tourism sector but they do not involve all the workers. We seldom talk about those workers' patriotism and this is what makes them equal to the other workers in the country. A long time ago, tourism workers decided what system they would live in, and the system in which the tourism workers live is the socialist system. A long time ago, tourism workers also decided what party should guide and orient them, and that party is the Communist Party of Cuba.

"Regarding defense, it turns out that Varadero Municipality is the first municipality in the country to declare itself at the third level regarding the protection of the population. [applause] This also puts it on an equal basis with regard to the effort being exerted in all the other sectors of the country."

In general terms, the information offered at the plenary session foresees an increase in the number of tourists for this year and a higher daily revenue per visitor. The labor union directorate urged tourism workers to counter lack of discipline, any manifestation of corruption, and anything that prevents good results.

[CTC President Pedro Ross Leal] [clarifying name of speaker, per monitor recheck] "We see very good comrades but we also see people who are corrupt,

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people who are bribed with $4, which are worthless, $4; $100 represent 100 Coca Cola's, which are worthless because a man's morality is worth more, and it must be defended. [applause] If we acted better we could save many of those comrade; those comrades are put there because they are revolutionaries, because they are comrades whose conduct has proved they are good. We take them there and, obviously they are tempted, and we must protect them so they do not fall.

"Therein lies our action, rather than falsehoods of covering up for people's actions. Later on, when they are discovered, everyone wants to report them and punish them. Well, they will receive their punishment, because the Attorney General's Office will sentence them accordingly, but we must not let them come to that. In that regard, we are still weak, lazy; that is the truth. We are afraid sometimes, because when a comrade starts to report, the others make life impossible for him. Then the union has to go to other levels, to the municipality, the province, the nation, and to our CTC, so that we will support and protect that worker. Anybody who harms any of our workers [applause].... [pauses] we have sufficient strength, we have the support of the leadership of the country, of the main leaders of the country... [pauses] If the union reports something that is being done wrong, and if it is proven, then no reprisals will be taken against anyone. They have the full support of the revolution, of the top leadership of the revolution. We do not have to wage a witch-hunt, but we will have to do some witchcraft to prevent people from stealing [applause] if this is possible. But we have to stop this crime. When people start to falter, when they start to fall, we have to call their attention; we have to sit them down in order to save them." [clarifying indistinct passage and rewording per monitor recheck]

Cuba: Correction to R. Castro Interviews Secretaries

PA0105150796

The following correction pertains to the item headlined "Cuba: R. Castro Interviews Provincial Secretaries," published in the 26 April Latin America DAILY REPORT, pages 4-19:

Page 13, first column, last paragraph, fourth sentence make read: ...have left Comrade (?Amado Hamut), first secretary of... (correcting name)

Haiti

Haiti: Anti-Privatization Protests Held in Port-au-Prince

PA0205024896 Paris AFP in Spanish 1928 GMT 1 May 96

[FBIS Translated Text] Port-au-Prince, 1 May (AFP) — AFP confirmed that on Wednesday, in Port-au-Prince, hundreds of persons protested against the privatization of state-owned companies, which is advocated by President Rene Preval.

The protesters carried signs against Haitian President Rene Preval and Port-au-Prince Mayor Emmanuel Charlemagne, who were both jeered, and against the International Monetary Fund and the World Bank.

The protesters threatened to burn persons who privatize public companies using the "torture collar" (a burning tire hung around the neck).

Some protesters accused former President Jean-Bertrand Aristide of initiating the privatization program in the international community.

Regarding the country's financial crisis, President Rene Preval on Tuesday expressed his determination to carry out the privatization of Haitian state-owned companies within the framework of a new law providing for "economic joint ventures" and a "Council for Democratization" to oversee the privatization process.

Haiti: Preval Reaction to Policemen's Murders

96P20409A (Internet) Haiti Online in French 30 Apr 96

[FBIS Translated Text] The Haitian National Police [HNP] has not yet shed light on the circumstances of the murder of two police officers over the weekend. One was found dead in the Bolosse Avenue neighborhood and the other in the Poste-Marchand. The police have begun investigating these crimes. Meanwhile, the President of the Republic has made a statement in this regard:

"I truly believe that there is destabilizing activity against the democratic order, because these police officers did not fall in the line of duty, but rather were victims of attacks. They were pursued and gunned down. We must put an end to acts of destabilization."

The spokesperson for the HNP, commenting on the deaths of the two policemen, Desir Philistin and Milscent, attributed these crimes to "acts of intimidation." Spokesperson Herold Israel did not confirm the firing of a team of police officers who, on 24 April, protested the manner in which exams were held at the Police

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Academy. On the other hand, the HNP did confirm that arrests have been made in the murder of Professor Desir and his wife on Friday 26 April.

On Tuesday, the Higher Council of the National Police [CSPN] (Prime Minister, Justice Minister, and Police Director) must appear before the parliament committee. Deputy Joseph Jasmin explained: "We are seeing the return of insecurity, we are seeing civilians gunned down, policemen shot. We understand that approximately 20 traffic policemen were dismissed, the director of the Police Academy has resigned. Foreigners have intervened on police issues, policemen are protesting. There is a climate of terror, questioning, and emotions are running high. We in the parliament are concerned and, in response to the people's anxiety and anguish, we have summoned the CSPN to an emergency session in order to present the problem and find appropriate solutions."

Haiti: Preval Denies Discrimination in Tax Drive

96P20409B (Internet) Haiti Online in French
30 Apr 96

[FBIS Translated Excerpt] President Preval has announced that there are actually two tax drives: One is a street-by-street review of all enterprises and taxpayers. The other is a review by sector.

"The files for schools, big lawyers, maritime agencies are no longer in categories. There is no discrimination," the President affirmed.

After a visit to the DGI [General Directorate of Revenues], Rene Preval went to Customs. After identifying businesses under suspicion, the President gave the government prosecutor formal instructions to follow up on the enterprises in question. In an effort to strengthen the government's authority, Preval promised to give Customs autonomous authority for enforcement in order to put an end to smuggling, under billing, and false statements. [passage omitted]

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Mexico: Governor Bartlett 'Obstacle' Cited by PAN

96CA0162A Mexico City LA JORNADA in Spanish 22 Apr 96 p 1

[Received via Internet]

[FBIS Translated Text] Puebla, Puebla, 21 Apr—If the federal government wants the National Action Party (PAN) to return to the talks on the reform of the state, "it will have to remove the obstacle posed by Governor Manuel Bartlett Diaz," PAN President Felipe Calderon Hinojosa said today to a crowd of about 3,000 in this city's central square.

At a rally called to support the civil resistance in Huejotzingo, Calderon Hinojosa claimed that the PAN does not object to discussing the political reform of the state, but it will not do so because there are obstacles to bringing about changes not only in the laws, but in the way things are done. One such obstacle is Governor Bartlett Diaz, "given the election fraud he perpetrated in Huejotzingo."

Calderon told party activists from six different states that the PAN has already achieved previously unthinkable changes in the Constitution and in electoral laws through negotiations, but Mexico's current problem is the "simulation" of a constitutional system, since the government does not fulfill its agreements or respect the law in its actions.

He indicated that it cannot be said that political changes are under way in Mexico or that there is true federalism, in view of the fact that Manuel Bartlett canceled on a "whim" the opportunity for Huejotzingo to determine its democratic destiny.

Moreover, "how can there be talk of a free municipality" when the governor is trying to keep 67 percent of the over 800 million pesos that the city governments of Puebla are supposed to be allotted?

The national leader of the PAN stated that the real reform that Mexico needs is not just legal amendments, but changes in the way things are done. He said that it did no good to establish the electoral tribunals that the PAN called for if the one in Puebla "twisted the law" in the case of Huejotzingo on orders from Manuel Bartlett, who considers the citizens of Puebla to be "his personal property."

Calderon argued that these factors are the real reason why the PAN withdrew from the talks on reform of the state, not the recent internal elections to choose the president of the PAN, which Bartlett's "myopic political vision" tried to make people believe.

Diego Fernandez de Cevallos, on the other hand, mentioned that the PAN does not regard Huejotzingo as small change: "For us, it is everything." He stated that his party is not asking President Ernesto Zedillo to intervene in this case, because he does not have the power to do so; it is asking him "to keep his word, to stop the election thieves, to keep the governors within the limits of the law and not allow them to seize whatever ground he vacates."

If the federal government cannot rectify an injustice—that of Huejotzingo—then its word cannot be accepted and no dialogue can take place, he declared.

Ricardo Garcia Cervantes, leader of the PAN federal deputies, and Gabriel Jimenez Remus, coordinator of the PAN parliamentary delegation in the Senate, agreed to continue pushing the Huejotzingo case in Congress. Jimenez Remus questioned the fact that the National Supreme Court of Justice has not done anything about the fraudulent ruling issued by the State Electoral Tribunal.

Previously, the state president of the PAN, Ana Teresa Aranda de Orea, said that Bartlett "does not know how to share power," alleging that he is forcing the city governments of the State of Puebla to contribute 160 million of the 400 million pesos that the state government is obliged to put up for the social development pact signed with the federation. She contended that Bartlett Diaz' claim to be a man who protects federalism and the free municipality is refuted by the facts: For every peso collected in taxes in Puebla, 80 centavos is kept by the federation, 17 centavos goes to the state government, and only three centavos is left for the city governments; but now the governor wants to take half of that away from them.

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Guatemala

Guatemala: Report on 'Secret' Talks With Cuba Rejected

PA0205010496 Guatemala City LA REPUBLICA in Spanish 27 Apr 96 p 7

[FBIS Translated Text] Ricardo De la Torre, Guatemalan presidential spokesman, rejected yesterday a Guatemala City newspaper's report regarding secret negotiations that are being carried out between officials of the Guatemalan and Cuban Governments.

"The reporter who wrote this report spent a sleepless and fitful night because this information is absolutely false," De la Torre said.

The spokesman added that if the Guatemalan Government were considering the establishment of diplomatic relations with Cuba, this should not be hidden from the public. However, this possibility is not under consideration at all right now.

"There are no secret negotiations except in somebody else's mind," he underscored.

De la Torre stated that Guatemala will welcome cooperation from any country in the world because Guatemala is pleading for help, especially in the areas of medicine and technology. "It does not matter if this aid comes from Cuba, Taiwan, or any other country in the world."

He added that the Guatemalan Government will accept any country's help "regardless of political considerations or those of any other nature, as long as this help remains unconditional."

Another report published by the aforementioned newspaper said that Cuba might be forcing the Guatemalan National Revolutionary Unity (URNG) to promptly sign a peace agreement in exchange for establishing diplomatic relations with Guatemala. In this regard, De la Torre stated that these were merely speculations, adding that for the time being, the Guatemalan Government has not considered establishing relations with Cuba.

De la Torre said this possibility has not been considered not because of a lack of interest, but because Guatemala does not have a great need to do so right now and because it does not have enough funds to establish diplomatic missions in every country of the world.

Questioned about the possibility of having problems with the United Sates in the event that Guatemala decides to establish a diplomatic relationship with Cuba, De la Torre said: "We now live in a globalized world where each country does as it pleases and establishes relations with whomever it pleases without any other country's intervention."

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Argentina

Argentina: Secrecy Lifted on Decrees Related to Arms Sales

PY0105220796 Buenos Aires TELAM in Spanish 1603 GMT 30 Apr 96

[FBIS Translated Text] Buenos Aires, 30 Apr (TELAM) — President Carlos Menem announced today that he has issued instructions to lift the secrecy on all decrees related to arms sales to foreign countries which were signed from 1983 to the present. He emphasized that the former administration (headed by Raul Alfonsin) was involved in selling arms to countries at war.

Menem emphasized: "I have issued instructions to lift the secrecy on all decrees signed since 1983, and Argentines will now see how officials from the former administration were involved in selling arms to countries at war."

Menem told Radio 990: "The largest quantity of arms was sold under the former administration to the Islamic Republic of Iran."

Menem emphasized: "Those decrees were signed by a (former) defense minister who now is criticizing us, the defense minister of the former administration."

Menem also announced that he had issued "instructions to carefully investigate the Condor [missile] Project's impact on Argentina."

The president said: "It was a real aberration that cost us a huge sum of money. This is to clarify things so that we do not go off on a tangent on such important issues as these."

The president added: "I, along with the appropriate ministers, have signed four or five decrees for the people to consider." These decrees state that, at a given time, arms were sold "to (intermediary) companies that purchased them for Panama, Venezuela, Bolivia, and Pakistan."

Menem explained: "These intermediary companies are responsible for diverting these arms to other countries or for involving a third country in these arms sales. If it is confirmed that these arms actually ended up in Ecuador or Croatia, we will properly sue them those companies."

Menem emphasized: "Enough with biased accusations against a government that acted within legal standards and that will permit the appropriate investigations. A long and regretful story is being told on this issue."

The president noted: "I have had the opportunity of talking to the Ecuadoran and Peruvian presidents and they never complained to me about this issue that is being raised by the newspapers every day just for the sake of making a fuss over something with which there are virtually no problems."

Argentina: Minister Admits 'Crime' in Arms Sales Case

PY0105153296 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1941 GMT 29 Apr 96

[FBIS Translated Text] Buenos Aires, 29 Apr (NA) — Defense Minister Oscar Camilion admitted today that the Argentine arms sales to Ecuador during the military conflict between Ecuador and Peru was a "crime" that was committed within the Defense Ministry jurisdiction.

Camilion emphasized: "If the events are confirmed, this was a crime committed within the Defense Ministry jurisdiction. The minister has not been caught by surprise in his good faith."

Nevertheless, the defense minister rejected the possibility of resigning his post of defense minister, following the international scandal over the shipment of arms from Buenos Aires to Quito. He emphasized that, quite the contrary, he has been "confirmed" as defense minister.

Camilion emphasized: "I have been confirmed as minister. Therefore, I have not lost political clout, as this political clout comes from President Carlos Menem."

Camilion defined his responsibility for the operation that permitted the arrival of arms in Ecuador during the so-called "Condor war" in 1995, when an international ban on arms sales was imposed on the two nations.

Argentina also is one of the guarantor countries of the peace treaty between Ecuador and Peru that these two countries signed in 1942.

The defense minister emphasized that, if ministers were "responsible for the crimes committed under their jurisdictions, it would be virtually impossible to serve as a public official."

Camilion said this morning: "Crimes can be committed under any government jurisdiction and it can hardly be said that a minister is involved."

The minister made these remarks upon entering Government House. He joined the president for a meeting with Austrian Army General Arthur Zechner, head of the International Military Sports Council.

The defense minister also emphasized that, when Juan Paulik, the Air Force chief of staff, informed him that the Argentine arms were consigned for Quito, instead of Venezuela, measures were not taken because this information was based on "hearsay."

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Camilion emphasized: "If the Air Force would have perceived the existence of a criminal situation, all the appropriate precautions would have been taken."

Camilion pointed out: "With regard to this affair, we have been reviewing, a posteriori, events that could hardly have been perceived at that time as they actually developed: An arms contraband."

Camilion recounted: "Brigadier Paulik sent me a report; just that. When he informed me of this affair, I was preparing the departure of a delegation of observers to Ecuador."

The defense minister added: "The cease-fire between Ecuador and Peru had already been implemented three days before those flights occurred."

Camilion noted that at that time the Defense Ministry's "concern" involved the preparation of the delegation of observers who still are in Peru and Ecuador, a delegation that was requested of Argentina by the two nations." [no opening quotation marks as received]

The investigation into the illegal arms sales to Ecuador is headed by Federal Judge Jorge Urso, who was also instructed by the Federal Court to include the government's "top levels" in his inquiry into the political responsibilities of this case.

Argentina: Nation Placed on U.S. 'Priority' List

PY0205034796 Buenos Aires TELAM in Spanish 1557 GMT 1 May 96

[FBIS Translated Text] Buenos Aires, 1 May (TELAM) — Foreign Vice Minister Fernando Petrella reported today that U.S. President Bill Clinton has announced to President Carlos Menem that Argentina has been placed on the list of "priority observations," in keeping with U.S. commercial law.

In his letter, "Clinton also tells Menem that no measures have been taken against Argentina and points out the cooperation, agreements, and approaches existing on global issues, such as Bosnia, Paraguay, Peru, Ecuador, and Haiti," Petrella told Radio Mitre.

The foreign vice minister noted that "in the early morning hours of 30 April Clinton sent a letter to Menem in which he pointed out, among other things, that the Argentine situation has been reviewed and that the decision has been made to place it on the 'priority observations' list in keeping with Section 301 of the U.S. commercial law."

The foreign vice minister explained: "Regarding strictly commercial affairs, this means that we have been moved from the list of countries that are being observed for their trade practices to the list of countries that are being observed in a priority manner."

Petrella added: "Regarding this commercial aspect, this means that Argentine practices will be reviewed every six or seven months and the U.S. Government again will review whether or not it is appropriate to take other measures."

Asked if this change of category could be interpreted as a sanction for the decisions made on the patent issue, Petrella responded: "No, as Clinton expressed his recognition to Menem that the executive branch has made a great effort, that we are under a democratic system, and that Congress ultimately legislates for the Argentine nation."

Petrella indicated: "There are other very important countries on that list and I believe that all of us together can exert an influence so that the U.S. Government does not develop any threats."

Asked if the inclusion of Argentina on that list had bothered the government, Petrella said: "I still do not have any elements to pass judgment." He added: "We are a sovereign country. We have reviewed the pros and cons of our own legislation and we have to pursue the logic of our decisions."

The diplomat emphasized: "Time will tell if we have to evolve in one direction, stay as we are, or evolve in another direction."

Petrella underscored: "Yesterday's decision should not affect our pockets." He pointed out that the list released in the United States "does not represent a decision by the President, but by a group of" U.S. "Government officials."

Petrella noted: "It demonstrates the U.S. pharmaceutical laboratories' pressure on the Congress and government. We do the same thing in defense of our own interests and we have to feel proud of doing so."

Argentina: Provincial Privatizations Issue Reviewed

PY0105154996 Buenos Aires TELAM in Spanish 2301 GMT 29 Apr 96

[FBIS Translated Text] Buenos Aires, 29 Apr (TELAM) — Buenos Aires Governor Eduardo Duhalde emphasized in Buenos Aires today that the privatization of provincial enterprises will not produce unemployment.

After a 45-minute meeting with Economy Minister Domingo Cavallo at the Economy Ministry, the Buenos Aires governor emphasized: "In no way will the province privatize its two enterprises, ESEBA (energy enterprise) and Sanitary Works, and produce increased unemployment by so doing. It is absurd."

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Sources who were close to the meeting noted that Duhalde and Cavallo reviewed issues such as the privatization of ESEBA and a free zone in La Plata.

Asked about a free zone in La Plata, Duhalde said: "We have to resolve this issue at a congressional level and it will take some time." He did not elaborate any further.

Afterward, Duhalde went to the 11th floor of the Economy Ministry. There he held a one-hour meeting with Public Works Secretary Wylliam Otrera and Public Works Under Secretary Roberto Cruz to discuss a highway that will link Zarate with Punta Lara.

Duhalde emphasized: "Otrera and his team have given us a detailed explanation on the highway. The deadlines that they had pledged to us are being met, which represents remarkable work."

The highway's access into La Plata was also discussed. Duhalde emphasized: "This represents another issue that worries all of us and that will also not be delayed at all."

During his visit to the Economy Ministry, Duhalde was accompanied by Hugo Toledo, Buenos Aires Province public works minister, and Pedro Mantjaras, provincial road maintenance directorate administrator.

Brazil

Brazil: Cardoso 'Annoyed' at Ceremony for New Minister

PY0105152696 Rio de Janeiro Rede Globo Television in Portuguese 1000 GMT 1 May 96

[FBIS Translated Text] The president of the Republic seems to have entered a new phase. He is more circumspect, probably saddened by recent events. A different Fernando Henrique Cardoso was observed yesterday, very different from the one who normally demonstrates witticism and good humor. From the beginning of his speech welcoming new Agrarian Reform Minister Raul Jungmann, Cardoso maintained a rigid tone. At a particular moment, when the whispering among the public bothered Cardoso during his speech, he scolded those who spoke aloud, despite the fact that they were all high-level government officials.

[Begin Cardoso recording, in progress] ...administrative mechanisms, capable of allowing this link to effectively become an institutional improvement.

I want to ask the public attending this ceremony to be quieter. I believe that at certain moments, attention and respect are necessary. Otherwise, the president will end the discussion. [end recording]

Yes, the president became annoyed, but with reason. It shows lack of education to speak while the president is giving a speech. However, the place where the ceremony was held is horrible because it is like an echo chamber. At any rate, perhaps we should ask the president if he still thinks it is easy to govern Brazil.

Brazil: Italian Group Interested in Telecoms Sector

PY0105185596 Sao Paulo GAZETA MERCANTIL (Telecommunications Supplement) in Portuguese 23 Apr 96 p 4

[Report by Marco Antonio Monteiro]

[FBIS Translated Text] The Italian Government has made up its mind. At the end of the year it will transfer to the private sector the shares of the Societa Torinese di Esercizi Telefonici (Stel), an Italian state-run telecommunications group with annual sales worth $23 billion. The sale of the shares of the various enterprises of the group, which includes even publishing and printing enterprises, will be made in parts, making the deal more attractive to investors.

The privatization process has been set in motion with the contracting of 10 "advisers," who will make the appraisal of the enterprises and who will design the mechanism for the transfer operation, as in the case of — among others — Morgan Stanley, BZW, Young and Rubicam, JP Morgan and Mediobanca. The decision, made last week, definitively opens the doors for the group to take concrete steps toward operating in the Brazilian telecommunications sector as soon as the privatization program starts. The government- sponsored privatization bill, whose rapporteur is Deputy Arolde do Oliveira (PFL-RJ) [Liberal Front Party-Rio de Janeiro], and which provides for the opening of the market, bans the participation of foreign state-run groups in the privatization of the sector.

Enrico Graziani, director of the group's Strategy and Development Department, who recently visited Brazil, has reiterated the group's interest in the Brazilian market. He said the group intends to open an office in Brazil and form a consortium — with major Brazilian partners — to participate in the auction of the Rio Grande do Sul Telecommunications Company (CRT), which is owned by the Rio Grande do Sul government. The group wants to operate cellular phone services on the B band, which is reserved for private investment. The group is also interested in the emerging Brazilian cable television market.

The names of the Brazilian partners of the group is top secret. Graziani only said that they will be representative Brazilian enterprises. "We believe the CRT privatization process will set the guidelines for this type of operation, because it will be the first state-run telecommunication enterprise to be sold. It will serve as model for future

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privatizations. We will form a consortium to participate in the bidding in March. The document calling for the offers will be published in September," Graziani said.

He added that if there is an opportunity, the Stet group would also like to operate in the cable television sector, by offering products like "pay TV," "pay per view," inter-active television, and "home banking." "We have fiber optics technology and software to operate in this sector. In Italy, we have cable television projects which will demand a $6 billion investment over the next three years, to offer several products to 10 million consumers," he noted.

Stet renders telecommunications services in several Latin American countries (Cuba, Argentina, Bolivia, and Colombia), where it has already invested $1.5 billion. In Brazil, Stet offers environment and land remote sensoring services. It is also implementing a rural telephone project in Mato Grosso. "Latin America is essential for us. Yet we want to expand our activities in Brazil. We will open an office here to monitor our activities and to search for new deals. Our objective is not merely a financial participation in Brazilian projects, but also a strategic role in the industrial part, coupled with the offer of technology," Graziani said.

The Stet group has 180 enterprises and 132,000 employees. It is considered the world's sixth largest telecommunications operator. It renders cellular phone services to more than 4 million consumers.

Telecommunications services account for 74 percent of Stet's total sales, while manufacturing and installation account for 14 percent; printing services, 6 percent; information technology, 5 percent, and other activities, 1 percent.

Brazil: Biddings for Radio, TV Channels To Be Held

PY0105192296 Rio de Janeiro O GLOBO in Portuguese 25 Apr 96 p 34

[FBIS Translated Text] Brasilia — Juarez Quadros, supervision and concession secretary of the Communications Ministry, reported on 24 April that the ministry will hold biddings for new radio broadcasting channels before July. According to Quadros, the idea is to put into operation, before the end of the year, from 500 to 600 types of services, including FM, MW, and television-sign generators. It will be the first time concessions for these services have been granted since the Sarney administration (1985-90).

The secretary said: We plan to hold at least one bidding per month.

No channel concession has been granted in the last six years. Beginning 28 November 1995, the radio broadcasting policy has changed. Previously, the granting of requested concessions or permissions depended exclusively on the communications minister's decision. Currently, the process is conducted through biddings.

Quadros added that the federal administration has, in all, 2,000 FM channels, 700 MW channels, and 300 television channels. The requests, however, surpass the quantity of services available and total nearly 10,000.

Our objective is to give priority to the sites that still do not have these services, the secretary said. He pointed out that there are free FM channels, for example, in almost all Brazilian capitas, except Sao Paulo.

Communications Minister Sergio Motta has signed resolutions that were published in the 24 April issue of DIARIO OFICIAL. These resolutions grant permission to the company Globo Comunicacoes e Participacoes Ltda. and to the TVA Sistema de Televisao S.A. to exploit the via satellite subscription television service. According to Quadros, exploitation of these services began in January 1991. Nevertheless, with Resolution 281, which modified the rules for exploitation or distribution of sound and image programs, the entities had to submit their documents granting them the permission and thus make their situation regular. Radio and Televisao Bandeirantes Ltda. has also been authorized to exploit the via satellite service for sound radio broadcasting.

Minister Motta has also authorized the company Galaxy Brasil S.A., headquartered in Sao Paulo, to sell the services of the Galaxy III-R satellite, of the Hughes enterprise. The service will be exploited by the Abril group. According to Quadros, as a result of these measures, Brazilians will have available at least 100 more subscription television channels.

Brazil: Reaction to Approval of Patent Bill Noted

PY0105195496 Sao Paulo AGENCIA ESTADO in Portuguese 2346 GMT 30 Apr 96

[Report by Renato Soares]

[FBIS Translated Text] Brasilia, 30 Apr (AE) — The Brazilian Foreign Ministry considers natural the decision of the U.S. Trade Representative (USTR) to withdraw Brazil from the list of countries under observation for not respecting intellectual property rights. Brazil and a dozen other countries had been included on the list of the USTR last April for not having a modern law protecting intellectual property rights. Given that the Brazilian Government approved the patent bill last month, Brazil is now free from suffering trade retaliation from the United States. "President Fernando Henrique

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Cardoso is satisfied with the U.S. decision. He did not make any comment, but he was satisfied," said Planalto Palace spokesman Sergio Amaral.

The measure adopted by the USTR will probably allow the U.S. and Brazilian administrations to resume other pending trade matters in their bilateral relations. The main aspect of this relationship is currently the existing trade imbalance — which favors the United States — and the imposition of tariffs and surtaxes on Brazilian products exported to the U.S. market.

President Cardoso will approve the patent bill next week. There are still some doubts regarding an amendment made to the text during the Chamber of Deputies session that approved the bill. With the support of the party leaders, including the government leaders in the lower house, Deputy Valdir Colatto (PMDB-SC) [Brazilian Democratic Movement Party-Santa Catarina] included, in the article on patenting of microorganisms, the word "transgenic."

Colatto said that the inclusion of the word was necessary to specify that only transgenic microorganisms (genetically modified) can be patented. According to Itamaraty sources, the ideal thing would have been to leave the text as it was, only establishing the patenting of microorganisms. The allegation is that there are other ways by which to modify microorganisms besides the inclusion of genes in the microorganisms. Therefore, it would not be possible to patent in Brazil microorganisms modified through the inclusion of proteins or acids in their genes.

"This could cause problems for Brazil at the WTO," an Itamaraty diplomat who is an expert on the subject told AGENCIA ESTADO. Bill rapporteur Deputy Ney Lopes (PFL-RN) [Liberal Front Party-Rio Grande do Norte] guaranteed that there is no danger. "Both Science and Technology Minister Israel Vargas and the U.S. Embassy have already clarified that the bill as approved will not provoke reactions from our trading partners," he said.

Deputy Ney Lopes claims that the expression transgenic microorganism nowadays covers all the scientific possibilities of mutation of microorganisms. "If progress were made in the field of biotechnology later on and new types and ways of genetic mutation were created, we could include these new discoveries in a draft bill," he said.

Brazil: Commentary Analyzes Role of Armed Forces

PY0105204496 Sao Paulo GAZETA MERCANTIL in Portuguese 22 Apr 96 p A2

[Article y Jose Antonio Severo]

[FBIS Translated Text] Military men become nervous when they are asked what their role is in a integrated South America free of rivalries, which are being overcome, thanks to the effects of economic integration. In the southern cone, where border problems have definitively been solved — considering the Argentine-Chilean conflict mediated by the Pope as over — there is no possibility of a conflict. The east-west rivalry which could involve the South Atlantic countries is, at least, frozen. The question is: What is the role of the Armed Forces?

A few days ago Uruguayan President Julio Maria Sanguinetti said loud and clear that he was happy to have learned about the joint military exercises that Brazilian and Argentine land forces plan to carry out at an undetermined date, as reported by the Latin American issue of GAZETA MERCANTIL. He had read a report from Buenos Aires stating that troops from the two Armies, after more than a century of antagonisms, would train on the first joint exercise since the Triple Alliance War nearly 150 years ago. The elimination of a possible armed confrontation through the war games between the staffs of the two countries was greeted by the Uruguayan president as the most auspicious news since the integration process began.

A few days earlier, President Fernando Henrique Cardoso visited Argentina and signed a confidential protocol of intent on military cooperation. On the same occasion he clearly established that the Armed Forces of the two countries would not be used in drug enforcement activities. This is a subject that irritates military officers on both sides of the border. They all agree that the objective of the Armed Forces under the new circumstances is to defend the institutions and not to combat criminals.

Such apprehension derives from U.S. pressures to force the Armed Forces to combat organized crime in general terms. The Americans believe that the military have the best men to form an elite police to end with the drug traffickers. This would include the men best trained in modern weapons to face the drug trafficking gangs which are currently being trained by the former officers from the best armies in the world. It is said that the criminals are being trained and commanded by former officers from the special Israeli forces and from countries of the former Soviet Union, and that their intelligence systems are integrated by Cuban spies

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who lost their jobs with the end of the Russian help for the Havana administration. The excellent police groups of South America would not be able to stop them.

The subject, however, goes beyond this controversy which has already been debated in pages of Brazilian and Argentine newspapers. The Americans are allegedly thinking about the creation of a joint Argentine and Brazilian attack force to effectively intervene in some places on the continent whenever an extreme case turns up, that is, wherever a state of banditry [estado bandido] arises. This already happened in Bolivia, in the times of former dictator Garcia Meza, and it could be repeated in a country with a legitimate government with operating legislative and judicial branches. The "casus belli" as defined by experts could really be a democratic state.

Meanwhile, the military chiefs of the two countries calm their troops by telling them that the joint exercises are not meant to combat drug traffickers but to improve the performance of the peace forces under the command of international institutions, like the United Nations. But it could also be like it was in Sao Domingos, under the command of the OAS.

The possibility of forming an inter-American force is beginning to be studied by civilian strategic studies institutes both in Brazil and Argentina. It is the new geopolitics which does not ignore the U.S. military hegemony — because it would be unrealistic to do so — and considers a nontraditional conventional conflict possibility including all the elements of a total war. The mission of such forces would not be merely to dissuade, but to destroy a state of banditry. In clear terms, this means a such an ample war possibility as if it were a conflict for the defense of national permanent interests.

Brazil: 'Stiff' Sentence Handed Down in Massacre Case

PY0205023696 Rio de Janeiro O GLOBO in Portuguese 1 May 96 p 12

[Report by Laura Antunes and Nivia Carvalho]

[FBIS Translated Excerpt] A court has handed down a stiff prison sentence to the first defendant tried in the case of eight street children massacred outside the Candelaria church [Rio de Janeiro]. At the end of a 24-hour trial by jurors, Judge Jose Geraldo Antonio yesterday sentenced Marcus Vinicius Borges Emmanuel, a soldier of the Rio de Janeiro Military Police, to 309 years in prison. In practice, 29-year-old Emmanuel would not serve more than 30 years because the Brazilian Penal Code does not allow a defendant to serve more than 30 years of a sentence stemming from a single trial. Because he was given such a stiff sentence, Emmanuel will not be entitled to parole until he serves 30 years of his sentence. Unhappy with the punishment imposed on her client, defense attorney Sandra Bossio has already requested that a new jury be empaneled — a right accorded to any defendant convicted to serve more than 20 years in prison for a crime — to reach a new verdict in the case. [passage omitted]

Justifying his sentence, the judge emphasized the cruel way in which the minors were murdered on the early morning of 23 July 1993, which he described as one "of terror and horror." In sum, he stated that the verdict reached by the seven jurors strengthened democracy within the justice system. Emmanuel confessed to having killed only one of the eight children, but he did not succeed in convincing the jurors. [passage omitted]

Emmanuel and three other defendants — Lieutenant Marcelo Ferreira Cortes, soldier Claudio Luiz dos Santos, and Jurandir Gomes de Franca, a locksmith — have been charged with murdering eight children and wounding six others in Candelaria and the Aterro do Flamengo district. The trial date for the remaining three defendants has been set for 27 May.

On Monday afternoon, Emmanuel decided to confess to the judge and to clear the other defendants who, like him, have been already been in prison for three years. He incriminated three other fellow policemen, one of whom is dead and two who were arrested this month. Attorney Bossio admitted that she had been taken by surprise by her client's confession because she believed he was innocent. Notwithstanding his confession to one count of murder, she tried to convince the jurors that Emmanuel had acted under extreme emotional stress "after being hurt in his honor" because he had been stoned by the Candelaria children in retaliation for his having arrested a man who supplied them with shoe glue to inhale. [passage omitted]

Brazil: Ministerial Reform Pleases Few in Congress

96SM0265A Rio de Janeiro JORNAL DO BRASIL in Portuguese 26 Apr 96 p 1

[Unattributed article: "Ministerial Reform Pleases Few in Congress" — received via Internet]

[FBIS Translated Text] **Even Fernando Henrique's PSDB [Brazilian Social Democracy Party] was not unanimously in favor of the changes that the president was forced to make in his team.**

Brasilia—The ministerial reform aimed at strengthening the administration's base of support in Congress has caused only confusion and protests. It was a piece of engineering put together at a meeting by President Fernando Henrique with Ministers Sergio Motta and Jose Serra, Speaker of the Chamber of Deputies Luis

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Eduardo Magalhaes (PFL [Liberal Front Party], Bahia), and the then government leader, Luiz Carlos Santos, but it did not satisfy anyone completely. Santos was named special minister of political coordination to strengthen support by the PMDB [Brazilian Democratic Movement Party] for the administration and satisfy demands by the congressmen, and bringing the PPB [Brazilian People's Party] into the administration was also aimed at gaining its more effective and automatic support. The choice of Raul Jungman as minister of agrarian reform was the only nonpartisan appointment, but since that is a politically touchy area, there were no negative reactions.

In Congress, the appointment of Santos of the Sao Paulo PMDB as special minister of political coordination displeased the PSDB [Brazilian Social Democracy Party] and caused uneasiness in part of the PFL. The PTB [Brazilian Labor Party] is on a war footing to name Jose Eduardo Andrade Vieira's successor in the Ministry of Agriculture. As of early last night, President Fernando Henrique Cardoso had not yet decided who would get the post. The PPB accepted the invitation to join the cabinet, but it is still trying to grab the Ministry of Agriculture as well.

The PSDB was the party most displeased by the changes. Its members feel that with the appointment of Santos, the impression that the administration has succumbed to a policy of co-optation will become crystallized. "They have set up a shop counter," Deputy Jayme Santana (Maranhao) criticized. "The expectation is that now the PMDB will give the reforms unanimous support," was the sarcastic comment by the PSDB's deputy leader, Ubiratan Aguiar (Ceara).

The PSDB leaders in the Chamber of Deputies (Jose Anibal of Sao Paulo) and the Senate (Sergio Machado of Ceara) were more irritated than anyone by the fact that their party was not consulted about the changes. At a party the day before yesterday in honor of the birthday of Senator Jose Sarney (PMDB, Amapa), Machado confessed to Minister Sergio Motta that he was disappointed with the fact that the PSDB leaders had not been consulted. "We will talk later" was the minister's only answer. In his office hours earlier, Anibal, surprised by the changes, had pounded on the desk and criticized the choice of Luiz Carlos Santos.

Yesterday morning, Minister Sergio Motta took the field in an attempt to get around the situation and summoned the PSDB leaders for talks, but neither one showed up. "Talk about what at this point?" Machado complained. Fernando Henrique himself had to step in and call the pair in for talks last night after he had visited Minister Dorothea Werneck.

The atmosphere was no less tense in the PTB. First thing in the morning—performing his first duty as political coordinator—Luiz Carlos Santos guaranteed that the party would keep the Ministry of Agriculture, and the quarrel passed on to the question of who would be chosen. The deputies will not agree to seeing the job go to Joao Eliseu Ferraz of Parana, who is a protege of the departing minister, Jose Eduardo Andrade Vieira. "The bloc is demanding that it be a deputy," said the leader, Pedrinho Abrao (Goias), who tried unsuccessfully to schedule a meeting with Fernando Henrique. One of the candidates for that ministry, Ruralist Nelson Marchezzelli (Sao Paulo), put it bluntly: "An employee of Bamerindus is not acceptable." Besides Marchezzelli, the list of possible PTB choices includes Osvaldo Biolchi (Rio Grande do Sul), Rodrigues Palma (Mato Grosso), and Leopoldo Bessone (Minas Gerais).

The PPB ended its staging of a revolt and decided, following a meeting by its executive board, to enter the cabinet. The party not only accepted the appointment of Deputy Francisco Dornelles to the Ministry of Industry and Commerce but also tried to put Deputy Vadao Gomes (Sao Paulo) into the Ministry of Agriculture. With that decision having been made, the party leaders, headed by Senator Esperidiao Amin (Santa Catarina), went to Planalto Palace that evening to make it official. The debate within the party included some surrealistic moments. "It is better to piss from inside the tent to the outside than from the outside in," said Deputy Roberto Campos (Rio de Janeiro), thereby disconcerting those who were trying to give the meeting a solemn tone.

The PFL—after ensuring that the post of government leader would go to Deputy Benito Gama (Bahia)—and part of the PMDB were the only ones slightly more satisfied. "I wasn't, but now I'm enjoying it. I am always won over by the president. The changes are aimed at strengthening the administration's base of support, and Fernando Henrique is an excellent organizer," was the praise from PFL leader Inocencio Oliveira (Pernambuco). The evening before, Inocencio had been expressing considerable irritation over the possibility that the government leadership in the Chamber of Deputies would remain with the PMDB.

What is lacking, in the opinion of Senator Antonio Carlos Magalhaes [ACM] (PFL, Bahia), is a mapping out of the problems in Congress. At a luncheon with Deputy Luiz Carlos Santos and the new government leader in the Chamber of Deputies, Benito Gama (PFL, Bahia), ACM said: "We need a mapping out of everything here: complaints by congressmen, the lack of progress with bills, and what it is right and not right for a congressman to demand." ACM approved of Santos'

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appointment as political coordinator: "He has no rough edges," he said, and he pointed out that although it was precipitated by the events in Eldorado dos Carajas, Para, the ministerial reform had already been announced by President Fernando Henrique as scheduled for April or May. "The facts speak loudly, and they help make the president's desires a reality."

In the PMDB, following unsuccessful maneuvers aimed at placing Deputy Aloisio Nunes Ferreira in the post of political coordinator, the attitude was that in the final analysis, the party was a part of the decisionmaking core. "The PMDB will now have a strong presence in the administration," said the leader in the Chamber of Deputies, Michel Temer (Sao Paulo). "The administration was feeling the need for someone to filter its relations with Congress," added deputy leader Geddel Vieira Lima (PMDB, Bahia).

Despite that, the party is being cautious because it does not know how much power Luiz Carlos is going to have. "The PMDB may be strengthened by his presence as a minister. It will all depend on the power placed in his hands and the use he makes of it," commented party president Paes de Andrade (Ceara). The minister of political coordination will begin centralizing all demands by the congressmen, especially in the matter of job appointments. "He must have the pen or the power to set the pen in motion," said Temer. But the party is very aware that Santos' power is directly related to the consistency of the PMDB's support for the administration.

The only one not concerned about the power of the pen he will hold in his hands was a smiling Luiz Carlos Santos. He was already behaving like a minister yesterday. He met twice with Luis Eduardo Magalhaes, speaker of the Chamber of Deputies; PMDB leader Michel Temer; PMDB president Paes de Andrade; future Minister Francisco Dornelles (PPB, Rio de Janeiro); PTB leader Pedrinho Abrao; and the new government leader, Benito Gomes, and he had lunch with Senator Antonio Carlos Magalhaes. Luiz Carlos, who will have an office in Planalto Palace, reached an agreement with Luis Eduardo that he would also have an office in the Chamber of Deputies.

Brazil: Dornelles Choice Shifts Economic Power

96SM0265B Rio de Janeiro JORNAL DO BRASIL in Portuguese 26 Apr 96 p 1

[Article by Claudia Safatle: "Francisco Dornelles' Minas Gerais Outlook" — received via Internet]

[FBIS Translated Text] Brasilia—The choice of Deputy Francisco Dornelles (PPB [Brazilian People's Party], Rio de Janeiro) to replace Dorothea Werneck alters the distribution of power in the administration's economic area. Until now, Minister of Planning Jose Serra has had complete power over the affairs of the Ministry of Industry, Commerce, and Tourism. He was also the political channel for conveying Dorothea's proposals to Planalto Palace. With Dornelles, Serra is losing the influence he had on the ministry's affairs, examples being industrial policy and foreign trade. But he may not be the loser in the ministerial reform equation.

Serra may be gaining an ally with political strength who will certainly carry weight in clashes with the Ministry of Finance and the Central Bank [BC]. In the disagreements between Seplan [Secretariat of Planning and Coordination of the Presidency of the Republic] and the Ministry of Finance, Dorothea was in complete agreement with Serra, but their alliance was one that did not add up politically. With Dornelles heading the ministry, the balance is changing. The deputy agrees with many of the stands taken by the minister of planning. He defended the opening up of trade, subject to rules for not destroying Brazilian industry, a matter that has always interested Serra. And Dornelles' opinions will certainly find a technical and political hearing in Planalto Palace.

Does Malan lose? Not necessarily. A third center of power is being created in the economic area, and that may be a good thing. Dornelles, 61, is from Belo Horizonte, Minas Gerais, and he intends to imprint his "Minas Gerais outlook" on the conduct of the ministry. He will not start by changing advisers and secretaries. "I am a technocrat, and as such, I know that to start by changing everything results in tremendous confusion."

Concerning economic policy, he says straight off: "My exchange policy is that of Gustavo Franco (director of the BC), my budget is that of Serra, my interest policy is that of Gustavo Loyola (president of the BC), and my economic policy is that of Malan."

Brazil: Goals of New Agrarian Reform Minister Viewed

96SM0265C Rio de Janeiro JORNAL DO BRASIL in Portuguese 26 Apr 96 p 1

[Article by Sonia Carneiro — received via Internet]

[FBIS Translated Text] Brasilia—Even before taking office, the new minister of agrarian reform, Raul Jungman, has already announced five goals for his ministry. Jungman intends to establish an "Agrarian Reform Council," redesign INCRA [National Land Reform and Settlement Institute], turn the settlements over to their municipalities (a suggestion by Governor Miguel Arraes), seek new sources of funds for financing expropriations, and improve settlement infrastructure.

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According to the new minister, the council would consist of the leaders of the Landless People's Movement, the Ruralist bloc, the church, federations and confederations of rural businessmen, and farmers. "Our challenge will be to lower the percentage of landless people," Jungman announced.

In seeking new sources of funds, the minister intends to change the profile of TDA's (agrarian debt bonds) to please the Ruralists. Yesterday Jungman was already asking the Central Bank and Murilo Portugal, secretary of the Treasury, for studies on how to increase the value of TDA's and change the law providing for the purchase of unused land using those bonds.

Currently president of the Brazilian Institute for the Environment (Ibama), he announced yesterday that he would implement a "sustainable agrarian reform" without deforestation and while preserving Indian areas. "They will be five-star settlements," he said. "I will be the political coordinator of agrarian reform," said Jungman, who will take office next Tuesday. Jungman said that "I was not invited to the ministry. I was informed."

Socialist—The new minister's first meeting with the landless is scheduled for Tuesday. "The landless cause is just," he said. "From now on everything will be different. Slaughter is a thing of the past," he promised. In Jungman's opinion, the most important thing is "stability in social relations."

Jungman was already beginning to talk yesterday with the landless, politicians, and church representatives. But his first telephone call was to Diolinda Alves, the wife of Jose Rainha, leader of the Landless Movement. The minister is going to organize a work agenda for overcoming rural conflicts. Jungman also telephoned the president of Congress [as published; presumably Senate intended], Senator Jose Sarney (PMDB [Brazilian Democratic Movement Party], Amapa) and the speaker of the Chamber of Deputies, Luis Eduardo Magalhaes (PFL [Liberal Front Party], Bahia) to request a meeting with the leaders of all the political parties as a group. "We are all hostages of Congress," he admitted.

Despite the cuts of over 50 percent in this year's budget for agrarian reform, Jungman announced that "money is not the main problem." And he also regarded as "too small" the estimate of 30,000 reals per family for each settlement. In the new minister's opinion, the most important thing is not "to increase, but to improve the settlements."

Jungman defined himself as a man of the Left. "I am a socialist, and I am not going to change. I have always gotten along very well with conservatives and progressives," he explained.

Jungman regarded as "normal" the expenditure of 350,000 reals which he is accused of having made as president of Ibama to hire lobbyists to three U.S. nongovernmental organizations (NGO's), the NWF (National Wildlife Federation [in English]), the National Wildlife Federation [in Portuguese], and the Amanaka Amazon Network. The contract is for 18 months, and it calls for them to publicize Brazilian environmental projects. He explained: "They have already arranged 37 meetings for me in the United States, including even one with the secretary of state."

The bishop of Duque de Caxias (Rio de Janeiro), Mauro Morelli, who worked with Raul Jungman for two years in Itamar Franco's administration, said yesterday in Indaiatuba, Sao Paulo, that the man appointed minister of agrarian reform is a competent man but that he would not be able to resolve the land issue without a political decision by the administration.

"I know Jungman very well, because he was executive secretary of the Ministry of Planning back when I was working in Citizens' Action Against Hunger and Poverty and for Life," said Bishop Mauro, one of the few bishops who knew anything about the new minister. The bishop of Picos (Piaui), Augusto Rocha, former president of the Pastoral Commission for Land Affairs (CPT), said that the CNBB [National Conference of Brazilian Bishops] was still seeking information about Jungman and about the structure of his ministry.

Landless People's Movement—The president of the CPT, Bishop Orlando Dotti, warned that the issue is not so much the minister as the amount of money he will have for agrarian reform. The bishop believes that no matter how large an appropriation the Ministry of Agrarian Reform has, the largest amount of money will remain with the Ministry of Agriculture. "We are going to have to come to an understanding with both ministries," Bishop Orlando said.

The Landless People's Movement (MST) reacted with indifference to the choice of Raul Jungman as minister of agrarian reform. "He is unknown within the movement," said Gilmar Mauro of the MST's National Coordinating Office.

Joao Pedro Stedile, another coordinator, criticized establishment of the ministry. "Our plea is not for the establishment of a ministry but for the modernization of INCRA, which once had 12,000 employees but now has 5,000, many of them retired," Stedile said sarcastically. In his opinion, "the essential thing is for the authority

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in charge of agrarian reform to have access to the president. That is why we wanted INCRA to be responsible to the Office of the President of the Republic," Stedile said.

Brazil: No Improvement Seen in Ministerial Reform

96SM0265D Sao Paulo FOLHA DE SAO PAULO in Portuguese 25 Apr 96 p 1

[Editorial: "The More Things Change" — received via Internet]

[FBIS Translated Text] The ministerial reform announced by the administration appears to be a Band-Aid of debatable value, to say the least. It begins with the intention to reestablish the Ministry of Agrarian Reform. That is a typical reaction to the outcry provoked in public opinion and in sectors of the PSDB [Brazilian Social Democracy Party] itself by the massacre in Eldorado de Carajas.

A bureaucratic measure is being adopted as though that were the answer to a many-faceted problem. The country has known many agencies dedicated to the land problem, ranging from INCRA [National Land Reform and Settlement Institute] to Mirad [Ministry of Agrarian Reform and Development] itself (the ministry's acronym under the Sarney administration).

None of those administrative agencies is known to have even helped reduce the size of the problem.

The PPB [Brazilian People's Party], the party of Mayor Paulo Maluf, was given the ministry that the party had been demanding for some time. But the appointee—Federal Deputy Francisco Dornelles (Rio de Janeiro)—although a respected expert, seems to have little familiarity with the subject matter of the ministry assigned to him: the Ministry of Industry and Commerce.

But the most controversial individual in the entire reform is Deputy Luiz Carlos Santos (PMDB [Brazilian Democratic Movement Party], Sao Paulo), who was put in charge of political coordination. Someone who was secretary to the Orestes Quercia and Luiz Antonio Fleury administrations in Sao Paulo hardly seems identified with the president's party, the PSDB, which emerged precisely as a split from the PMDB, where today's PSDB members had found it impossible to coexist with Quercia's supporters.

If only for that reason, his position as government leader was already questionable to say the least, but bringing him into the administration is even more so. The fact that the new minister broke with Quercia does not seem sufficient reason to dissolve the shadows weighing on his biography.

To sum up the operation: the administration's image has not changed for the better. Quite the contrary, in fact: all indications are that it has changed for the worse.

Brazil: Roundup of Economic Reports Through 30 Apr

PY3004215296

[FBIS Report] The following is a compilation of reports on economic activities in Brazil monitored through 30 April.

Financial Operations

Funds For Coffee Harvest — The National Monetary Council, CMN, yesterday earmarked R200 million for financing the coffee harvest, which is due to start in May. This amount will be disbursed in two stages: 90 percent will be disbursed between May and June, and the remaining 10 percent between July and August. The administration expects the 1996-97 harvest to stand at between 24 and 26 million bags of coffee; that is, to recover from the poor 1995-96 harvest, when total production stood at only 12.5 million bags. (Sao Paulo GAZETA MERCANTIL in Portuguese 24 Apr 96 p B18)

Bank Issues Eurobonds — The Bank of Northeast Brazil, BNB, issued $125 million worth of Eurobonds on 25 April. This has been the sixth and the largest issuance of Eurobonds by the BNB. These bonds will mature in eight years, but the BNB may buy them back within three or five years. BNB President Byron Queiroz said the issuance is part of a total of $500 million that could be issued throughout 1996. Queiroz said the BNB specializes in long-term financing. (Sao Paulo GAZETA MERCANTIL in Portuguese 26-28 Apr 96 p B7)

AG Telecom Invests in TV — Andrade Gutierrez Telecommunications, AG Telecom, has joined the future of the television market. AG Telecom obtained a license to operate, on an experimental basis, a system of distribution of TV signals to subscribers. A pilot project encompassing 35 residences was set up in the Tatuape district, an eastern district of Sao Paulo. The project will consist of transmitting not only tv signals, but also interactive signals. It will also include videoconferences, pay-per-view video, high definition TV, and interactive games. The system is called LMDBS — Local Multipoint Distribution System — and it uses innovative technology in high frequencies ranging from 27.5 to 29.5 gigahertz. AG Telecom recently also joined the B-band cellular telephone market. AG Telecom already signed a contract with U.S. company U.S. West, which will own 49 percent of the shares of the partnership. (Sao Paulo GAZETA MERCANTIL in Portuguese 26 Apr 96 p C8)

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Power Consumption Increases in 1995 — The Brazilian Electric Power Company, Inc., Eletrobras, has reported that 1.312 million new consumers joined the market in 1995. Eletrobras noted that the installed capacity of 64 companies operating in the power sector amounted to 55,512 megawatts by the end of 1995, which was 2.6 percent higher than that of 1994. Power supply available stood at 296,300 gigawatts/hour, but the sales volume accounted for 249,800 gigawatts/hour due to waste and fraud. Consumption has thus increased by 6 percent. The Paraguayan-Brazilian Itaipu dam supplied 6,000 megawatts. Average power consumption by Brazilians is still low: 1,688 kilowatts/hour per resident in 1995, compared to 15,500 kilowatts/hour per resident in Canada, 9,700 kilowatts/hour per resident in the United States, and 2,800 kilowatts/hour per resident in Spain. Per capita consumption in Argentina stands at 1,500 kilowatts/hour. (Sao Paulo GAZETA MERCANTIL in Portuguese 24 Apr 96 p A5)

Fiscal, Monetary Issues

BC To Intervene in Dollar Market — The Central Bank is prepared to take action to deter speculation on the parallel money exchange market, where the dollar selling rate has increased by 8 percent in the past three days. The BC will intervene to force a reduction in the exchange rate Brazilians going abroad are paying for each U.S. dollar they are buying. Joubert Furtado, chief of the BC Department for International Reserves Operations, said: The BC will not stand idly by in the face of what is happening. The dollar parallel market regained new momentum on 22 April when new rules concerning nonresident banking accounts, also called CC5 accounts, went into effect. Up until then, holders of nonresident accounts could send as much as R500,000 abroad, without having to explain the nature of the operation. Effective 22 April, any check in amounts higher than R10,000 must carry the name of the recipient to make it easy to track down the money leaving the country. Thus, anyone seeking to send money earned illegally can no longer use CC5 accounts for this purpose and will have to turn to the parallel market. (Rio de Janeiro O GLOBO 27 Apr 96 p 23)

Privatization

Agrimisa Bank Privatization Canceled — The Minas Gerais Court of Justice has canceled the privatization of the Agrimisa bank, which had been privatized in 1989, over irregularities committed in the privatization process. The court has thus upheld a class action suit filed by former Deputy Carlos Cotta in 1990. According to attorneys Genival Tourinho and Leandro Guimaraes, those involved in the irregulariteis will have to pay R3 million. They are: former Minas Gerais Governor Newton Cardoso, who allowed the privatization; Luiz Fernando Wellisch Gusmao, former secretary in charge of state-owned companies; and his deputy, Rubens de Azevedo; MGI-Participacoes (which is Minas Gerais Government's holding company), and the Goes-Cohabita group, which bought Agrimisa's controlling stocks at a low price. The court ruling states that the minimum price set for the privatization of Agrimisa, 2.9 million new cruzeiros, was lower than the bank's true value. Price and Waterhouse has estimated its value at 3.4 million new cruzeiros. (Rio de Janeiro O GLOBO in Portuguese 27 Apr 96 p 22)

CVRD Interested in Railroad Line — The Rio Doce Valley Company, CVRD, is coordinating efforts to prevent the U.S. Noel Group from taking control of the center-east line of the Federal Railroad System, Inc, RFFSA. Noel Group had unexpectedly won the bidding for the West Line of the RFFSA. The center-east line, which is scheduled to be auctioned on 14 June, is 7,080-km long and links Belo Horizonte to Salvador, Goiania, Brasilia, and Campos (Rio de Janeiro). This line also serves Vitoria and the city of Rio de Janeiro. The area of influence of the center-west line includes the mining region of Minas Gerais, the Bahia petrochemical area, and its trains are used to ship products to the ports of Vitoria, Salvador, and Rio de Janeiro. CVRD is hoping to set up a megaconsortium of 15 Brazilian companies interested in countering the Yankee Noel. CVRD hopes to line up the Andrade Gutierrez and Camargo Correa construction companies, the National Iron and Steel Company, the Tubarao Iron and Steel Compnay, the coffee exporting Coser Group, and other companies. The National Bank for Economic and Social Development, BNDES, has set the minimum price of the center-east line at R316.9 million, 20 percent of which will have to be paid in cash. (Sao Paulo GAZETA MERCANTIL in Portuguese 25 Apr 96 pp A1, B8)

Trade Issues

Brazilian-Paraguayan Chamber of Commerce — Paraguayan Ambassador to Brazil Dido Florentin Bogado yesterday announced in Brasilia the creation of the Brazilian-Paraguayan Chamber of Industry and Commerce, which will be chaired by the Paraguayan ambassador. The chamber will consist of Brazilian business executives, managers, and lawyers and will seek to bring solutions to the leading trade issues existing between Paraguay and Brazil. Florentin Bogado cited as example the issue of smuggling and the somewhat inefficient action by the Federal Reserve Secretariat that has provoked long lines of Paraguayan trucks that are heading for the port of Paranagua.

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Members of the Brazilian-Paraguayan Chamber are scheduled to visit Asuncion in 15 days to set up a similar organization there. Brazil is at present the largest foreign investor in Paraguay. From 1989 to 1993, Brazilian enterpreneurs invested $181.3 million in Paraguay. The Brazilian Government estimates that the above figure has doubled in recent years. In 1995, Brazil exported $1 billion to Paraguay and imported only $350 million worth of Paraguayan products. (Sao Paulo GAZETA MERCANTIL in Portuguese 24 Apr 96 p A16)

Construction Firm Opens Branch in Argentina — The Moraes Danta construction firm, which has operated on the Brazilian market for 44 years, is opening a branch in Buenos Aires. The company is going to make its debut within the Common Market of the South, Mercosur, by building a new GM factory in Santa Fe Province. Moraes Danta, which leads the Brazilian market in construction of industrial plants, expects its sale volume to amount to $100 million in 1996. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Apr 96 p B6)

Commercial Visits, Overtures

Iranian Trade Mission To Visit — An Iranian trade mission is scheduled to visit Brazil during the first week of May to start negotiations with DZ Engineering, Equipment, and Systems, Inc., to build two sugar mills in Iran. The turnkey contract, which has been estimated at $200 million, will provide for the installation of two sugar mills. Each of these mills is expected to produce 100,000 metric tons of sugar annually. DZ Superintendent Fredy Moreinos believes that negotiations with the Iranian Government will last about six months. He said: "The project will entail financing by the Bank of Brazil, a guarantee by the Central Bank, and an agreement whereby Iran would pay in oil for the cost of the sugar mills." DZ will be charged with training Iranian personnel in operating the plants and in using bagasse for manufacturing cellulose and animal feed. A total of 84,000 hectares of sugarcane will be planted to supply cane to the plants. Moreinos said: "This will be the largest international deal in the sugar-alcohol area." (Sao Paulo GAZETA MERCANTIL (Special Report) in Portuguese 24 Apr 96 p 4)

Chile

Chile: Frei Returns From Argentina, Views 'Historic' Visit

PY0105132196 Santiago EL MERCURIO in Spanish 28 Apr 96 p C3

[FBIS Translated Text] Upon his arrival at Arturo Merino Benitez airport at 1015 yesterday, on board a Chilean Air Force aircraft, President Eduardo Frei evaluated his 72-hour visit to Argentina, mentioning subjects related to bilateral integration in particular.

As he reviewed his trip to Argentina, Frei expressed gratitude to his Argentine counterpart, Carlos Menem, for a meaningful stay, and for the good results of the meetings held at the presidential as well as ministerial levels.

Frei said: "These were historic meetings, the first time the two cabinets met. We made substantial progress in all bilateral fields; everything related to integration was discussed at length. The legislators who visited Argentina as well as the ministers participated actively in these meetings. I believe this has been an extremely positive visit for both countries."

President Frei was welcomed at the international airport by Interior Minister Carlos Figueroa in his capacity as vice president. Later on, in the VIP hall of the airport, the traditional ceremony marking the transfer of power was held. After that they went to the Carabineros School to participate in another anniversary ceremony of this institution.

Yesterday the head of state noted the various integration projects discussed with Menem and commented that it is hoped that the negotiations with Mercosur [Common Market of the South] will conclude by late June.

Frei also briefly referred to the agreement reached with the EU, which he said was extremely positive.

During his visit to Argentina, the two presidents agreed to make every effort possible to persuade their respective legislators and social actors to ratify the southern glacier treaty signed by Menem and former President Patricio Aylwin.

This was one of the key issues of the bilateral agenda discussed by the Chilean delegation during the president's visit. Subjects related to Chile's entry to Mercosur [Common Market of the South] were also discussed, and eight cooperation agreements in various fields were signed. Among them he mentioned the one allowing for the opening of the border pass Pircas Negras (on the Argentine side, near Copiapo) and one acknowledging the contributions to the social security service that Chilean or Argentine citizens do not pay in their country of origin.

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Chile: Fighter Planes Purchased From Belgium Shipped

PY0105155196 Santiago EL MERCURIO in Spanish 28 Apr 96 p C5

[FBIS Translated Excerpt] During a brief ceremony attended by Defense Minister Edmundo Perez Yoma and a delegation of the Chilean Armed Forces, the last Mirage M-5M Elkan fighter planes the Chilean Air Force purchased in 1995 were shipped yesterday from Belgium.

The five fighter-bombers were shipped in special boxes aboard a gigantic Russian transport plane Antonov An-124 from the airport in the Belgian locality of Charleroi, with the destination being Antofagasta, where the Antonov was scheduled to land this morning. [passage omitted]

With this shipment the defense trade agreement between the two governments was fulfilled, but it could be reactivated soon with the possible Belgian sale of ground and naval materiel to Chile. [passage omitted]

Chile: Naval Head on 'Active' Materiel Renewal Program

PY0105155396 Santiago EL MERCURIO in Spanish 26 Apr 96 p C8

[Article by Mauricio Silva]

[FBIS Translated Text] Arica — Navy Commander in Chief Admiral Jorge Martinez Busch has stated that the Chilean Navy is conducting an active renewal program of its materiel, but not increasing it. The naval commander thus referred to the negotiations Defense Minister Edmundo Perez Yoma is carrying out in Europe to order the construction of two new submarines that will be incorporated into the Navy in the year 2000. Martinez Busch, who made a brief institutional visit to Arica, said that within the framework of this policy of renewal there are also the programs to develop a unique design for Chilean ships, "adapted to our seas."

Chile: Air Force Head Confirms Purchase of New Aircraft

PY0105192096 Madrid EFE in Spanish 1646 GMT 1 May 96

[FBIS Translated Text] Santiago, 1 May (EFE) — Chilean Air Force [FACh] Commander in Chief General Fernando Rojas Vender today confirmed that within the next few years, the FACh will incorporate into its fleet a new generation of advanced technology fighter planes.

Rojas Vender added that the objective is to replace the U.S. fighter planes A-37 "Dragonfly," which are obsolete and used only for the advanced training of pilots.

The Air Force commander said that the acquisition of new aircraft must be concluded by the year 2000 and that there are several models under consideration, among them the U.S. F-16 and F-18, the French Mirage 2000-5, and the Swedish Grippen.

Rojas Vender, who spoke with the press after the celebration of the Air Force War Academy anniversary ended, said: "We will ask for the most recently built aircraft with the most advanced technology."

The current fleet of FACh fighter planes is comprised of U.S. F-5 "Tiger" fighter-bombers and French Mirage-50 "Panthers," both models modernized and upgraded in Israel, where the "Condor" was built from a Boeing 707 to become an advanced spy plane.

Last year the FACh incorporated 25 Mirage M5-M "Elkan" fighter-bombers, purchased from Belgium, and recently announced a modernizationn program and an increase in the fighting capacity of the "Falcon" tactical fighter, the Chilean version of the Spanish CASA C-101.

Chile: Minister Rejects Communist Ties for CUT Election

PY0105195396 Santiago EL MERCURIO in Spanish 23 Apr 96 p C2

[FBIS Translated Excerpt] Public Works Minister Ricardo Lagos categorically rejected the alliance between the Socialist Party (PS) and the Communist Party [PCCh] within the United Workers Confederation (CUT). Lagos noted that the Coalition of Parties for Democracy [CPPD] is the only organization where political alliances can be made.

Lagos also criticized the politicians who continue to think in terms of "ghosts of the past," specifically trying to revive the ex- Popular Unity that was founded by the PCCh and the PS, as the main axis of the coalition that governed Chile from 1970 to 1973.

Lagos also expressed regret that a woman like Maria Rozas was not elected president of the CUT.

Yesterday, Lagos rejected the agreement reached by the PS and the PCCh, outside the CPPD, to elected the CUT leadership, and demanded that order be established within the CPPD. There was also a report that Lagos allegedly sent a message to the presidents of the CPPD, but Lagos himself denied it. [passage omitted]

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Chile: Government Concerned on 'Alternate' Party Alliance

PY0105224696 Santiago EL MERCURIO in Spanish 25 Apr 96 p C2

[Report by Veronica Moya from Coihaique]

[FBIS Translated Excerpt] Minister Secretary General of Government Jose Joaquin Brunner has confirmed the government's concern for what is happening in the United Workers Confederation (CUT), which is keeping the Socialist Party (PS), and the Christian Democratic Party (PDC) under tension because the political effects of the conflict are giving "confusing and wrong signals" to the country.

Brunner said: "The idea that there may be an alternate alliance to the Coalition of Parties For Democracy [CPPD] (referring to the PS alliance with the Communist Party [PCCh]) seems to send a confusing and wrong signal to the country. The PCCh holds a harsh opposition to the government, its ideas, and its vision of the present, and future of the country are contrary to the government and the CPPD. This is why the confusing signal to the people worries us."

However, Brunner discarded the possibility that the PS-PCCh alliance and the elimination of PDC leader Maria Rozas as head of the CUT are jeopardizing the existence of the CPPD because this organization "is a historic experience of many years of struggle, where there is a very strong alliance tradition, which has survived similar and even worse problems than the one we are now facing." [passage omitted]

Chile: PS Agrees Not To Seek Alliances Outside CPPD

PY0105224896 Santiago EL MERCURIO in Spanish 26 Apr 96 p A1

[FBIS Translated Excerpt] On 25 April the Christian Democratic Party [PDC] was able to obtain from the Coalition of Parties For Democracy [CPPD], especially from the Socialist Party [PS], a public and official commitment that no member of the CPPD will seek an alliance with parties outside the coalition, especially with the Communist Party. The PDC was not able, however, to overcome its differences with the PS in relation to the idea of reverting the situation taking place in the CUT [United Workers Confederation], therefore the problem between the two parties continues.

A declaration of principles about the agreement was delivered yesterday in the CPPD headquarters, after a long meeting of the leadership of the four parties with congressional representation which make up the CPPD (PDC, PS, Radical Socialist Democratic Party-PRSD, and the Party for Democracy-PPD).

The brief declaration says that the parties admit that their permanence in the CPPD is incompatible with other parties or political pacts that contradict the purpose of the CPPD, and also that the PS and the PDC, along with their respective labor union departments, agreed to seek a solution to the problem created in the CUT. [passage omitted]

In order to solve this problem, the PDC said that the current situation in the CUT should be reverted to the situation before Roberto Alarcon was elected CUT president and that the PDC-PS pre-agreement should be revalidated.

The PS answer was to regret what happened in the CUT by pointing out that it was never its idea to play with the PDC, that the CPPD is the framework where the PS carries its activities, and that the PS has no agreement with the Communist Party.

PS President Camilo Escalona expressed his party's willingness to reorganize the CPPD within the CUT on the basis of dialogue among the union leaders of the two parties but Escalona, who did not say how this would be achieved, pointed out that any solution should not be humiliating to the Socialists. [passage omitted]

Chile: Labor Leader Says New CUT Leadership in Transition

PY0105232096 Santiago EL MERCURIO in Spanish 25 Apr 96 p C2

[FBIS Translated Excerpt] Socialist Arturo Martinez, third vice president of the United Workers Confederation (CUT), has termed the CUT administration headed by Socialist Roberto Alarcon since 19 April a transition period.

Martinez said that "a special Congress will be held to reform the CUT statute and the Congress will also set a date for a new election before this period ends."

According to the statute the CUT leadership has a four-year term, but when Alarcon took over he promised to reform the statute during the Congress to be held next July and also to call for new elections as soon as possible.

Arturo Martinez asserted on 24 April that the PDC [Christian Democratic Party] proposal for dividing the CUT leadership between Roberto Alarcon and Maria Rozas is an issue not being considered by the PS union leaders.

Martinez said, however, that the PS union leaders are willing to talk with the PDC leaders but to discuss issues

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related to the future of the CUT. Therefore, he did not discard the possibility of some kind of contact in the next few days. [passage omitted]

Labor Minister Jorge Arrate has admitted that the CUT situation, in addition to anything that happens in the unions, is an issue that creates concern in the government.

He said that the Frei administration has a clear policy for evaluating the social meaning of labor unions, that this criteria prevails in the bills on labor matters. [passage omitted]

Chile: RN President Says Party Crisis Being Resolved

PY0205025696 Santiago LA TERCERA DE LA HORA in Spanish 29 Apr 96 p 10

[Article by Alfredo Gonzalez P.]

[FBIS Translated Text] Deputy Andres Allamand, National Renewal (RN) president, said he is satisfied with the support expressed for the position of the party central leadership in the special general council held on 27 April. He said: "We are putting a very serious crisis behind us as a result of the position expressed in the approved resolution."

First, said Allamand, there is a clear reaffirmation of the party's political line to give impetus at the appropriate time to the constitutional reform project that was approved by the general council in Temuco.

Second, he referred to future political alliances within the center right "in order to face the upcoming electoral challenge; not only the municipal elections but also the congressional and presidential elections of 1999."

Gonzalez: Is this a truce for the preparation of the program for the internal and then the congressional elections?

Allamand: It is the path for solving the crisis that affected the RN. We certainly now have the clear instruments for the internal administration of our party. I hope it will not only be a truce but also a solution to the conflict we had.

The fact that there is an absolutely clear mandate, which the general council imposed on itself to make the future candidates for Congress coincide with the party's lines and definitions, is quite a clear indication.

Gonzalez: Is there a certainty that the senators who did not fulfill their promise will not do it again in the future?

Allamand: No one can exactly predict the future but one should "know how to read" the resolutions adopted. If the general council said that for the appointment of the congressional candidates for next year it will have the names of the candidates coincide with the party's program, it is obvious that we have a very clear way for a solution.

Gonzalez: Does this mean that the senators who voted against the reforms will be turned down?

Allamand: Under no circumstance. Political parties have the obligation before the people to propose candidates who represent their point of view, therefore it is not a question of turning anyone down. The thing is that those who want to be RN candidates must agree with the party's policy, otherwise it would simply mean deceiving the party, the electorate, and themselves.

Gonzalez: Was there the possibility of a division in RN in the last few months?

Allamand: I believe so. We had a division and a profound crisis because it not usual to have such different opinions between the general council and a group of RN congressmen. We are leaving these issues behind, which are on the way to a solution as we planned.

Gonzalez: Will it be possible to deal with the reforms before or after the municipal elections?

Allamand: I believe that any action on the constitutional reforms before October makes no sense.

Colombia

Colombia: Samper Delivers May Day Speech

PA0205033496 Santa Fe de Bogota Radio Cadena Nacional in Spanish 0138 GMT 2 May 96

[Speech by President Ernesto Samper Pizano on occasion of May Day; place and date not given — recorded]

[FBIS Translated Text] Today we are marking Labor Day. Yesterday, I had a joyful visit with the country's most respected union leaders, who pledged to support the proposal that I have been creating to find a national solution to the crisis that we are experiencing. What sense would it make to find a solution that would leave half of the country in dire straits at the expense of the other half? Fortunately, we have a union movement that is much more aware of its duties, not only toward affiliates, but also toward society and democracy. I congratulate all of them on May Day. This is why 1 May is the day of workers, the day of people, people who unselfishly get up every morning to go to the office, factory, store, and the countryside to do their bit to keep constructing the building for this large organization called Colombia.

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I am aware of and I share the concern of the many at home that are watching me tonight, over the current difficulties one must overcome to get a job. I am not oblivious to the anguish of parents who, after having spent years and years to educate their children, are desperately seeing how their offsprings cannot get a job or, if they get one, it has nothing to do with what they studied. I also want a country in which professional people do not drive cabs.

We are resolving this situation. My government has drafted clear policies to create more and better jobs. I said more jobs, because we must create new sources of jobs, and I said better jobs, because it is not enough for people to be busy doing something; we need their efforts to start producing and creating wealth so that others will also be able to find a job. Unfortunately, to accomplish this objective, the Colombian economy this year will not behave as it did in previous years. We are indeed observing slowdown symptoms, which even though they worry us, we must not despair. The entire Latin American region is exhibiting similar slowdown symptoms. However, Colombia is better off than almost all the countries in the area as far as growth is concerned.

The coffee crisis is indeed adversely affecting us. This crisis has caused problems for the coffee growers' revenues. We are resolving these problems by increasing domestic coffee prices insofar as the international situation will allow and by alleviating the small-scale producers' credit burden, which nowadays weighs a great deal.

Smuggling is also adversely affecting us a great deal; it is now being used to launder huge amounts of drug-trafficking dollars. In order to combat this, we are implementing physical and technical programs to control the entry of foreign merchandise, and next week, we will submit to Congress some very solid draft proposals to curtail money laundering. In the fight against smuggling, you can also help a great deal by purchasing Colombian products. It should be enough for you to think that for each foreign item that you purchase and that Colombia manufactures, one fellow national loses his job. We must believe in what is ours.

High interest rates are also adversely affecting us, because, despite the efforts the government and the Bank of the Republic are making to circulate more money, interest rates continue to be too high, too expensive. Let us keep working to reduce them.

The drop in construction activities is adversely affecting us. We had been building for several years without any interruptions, and now we are living the inevitable lean years. To offset their effect, this year we increased the number of subsidies on social housing projects by more than 100,000, with which we expect to build in 1996 half of my government's goal of building 500,000 homes for an equal number of Colombian families.

In a matter of days we will announce, within a package of economic reactivation measures, a series of measures to lower housing credits. Finally, the struggle against drug trafficking is affecting us, although in a different way. The tolerance of many groups toward drug trafficking for many years ended by legitimizing the permanent receipt of illegal resources in many activities. Obviously, their possibilities of forging ahead will now be diminished by the drug cartels' dismantling we have achieved. This certainly involves an ethical cost, but it is a cost worth paying. We do not want our kids' employment financed by accursed drug-trafficking money.

There are other sectors in which things are doing well. For example, we have increased our exports and exporting products is tantamount to exporting manpower. The shock measures — comparable to an electric shock — that we enforced to bring the Colombian countryside out of its coma are yielding results. Land titles and land are again being distributed to the Colombian peasants. This is the agrarian reform's resurrection. The price of agricultural products and raw materials remains stable and we are not ashamed to say that we are subsidizing the countryside because there is not a single country in the world that is not subsidizing its peasants.

The programs to alleviate the low-level farmers' credit situation will help them escape the cycle in which they were trapped when they could not pay their accrued debts because they lacked the resources for new crops. Other new sectors, like the energy sector, are doing very well. We are among the first five world coal sellers; we have enough gas for all the Colombian homes and more for industrial purposes. We have found promising oil deposits in the eastern flatlands within the last few months.

Therefore, those who intentionally attributed all the economic problems to the so-called political crisis can see that other countries in the area, which do not have the famous Case 8,000, are facing the same problems, or worse. What do the legal problems in which we are involved have to do with the drop in coffee prices at the New York Exchange, or the increase in shoe contraband from Taiwan, or trade problems in Tachira, Venezuela?

It is unfair, above all suicidal, to insist on attributing all the economic problems to the political crisis. Of course we are not keeping our arms folded, waiting for the economy to grow or not grow enough to create more jobs. We are implementing specific programs to

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create more and better jobs. Let's see, the mini-business program approved more than 27,000 credits last year to open new companies. What is a mini-business, anyway? A mini-business is a tailor's shop, a commercial store, a family business; in short, it is a job opportunity. Of course we need large factories in Colombia, but we also need to forge a foundation of small-scale businessmen such as the one that allowed the takeoff of the Asian economies, which we now describe as miracles.

The Sena [National Apprenticeship Service] has also revamped its training programs, of course without neglecting its traditional programs to train the labor force. It is now awarding scholarships to the poorest students, so that they will be able to devote themselves only to study, and in a year, it has doubled the number of short-term training courses it offers to improve the labor conditions of less skilled workers.

A computer service has begun operating in Bogota today to help the unemployed find out who is requesting their services, where, and when. We are going to put an end to the infamous long lines of jobless individuals who look for jobs from the early hours of the morning.

The social solidarity network, with its simple but effective rural and urban employment program, is already reaching more than 500 municipalities. We are going to turn the Administrative Cooperative Department into a state agency at the service of the solidaristic economy [economia solidaria]. The solidaristic economy is one in which those who have no other support join their forces and resources with others in order to move ahead.

The solidaristic sector provides — you are going to be shocked — more than half the jobs in the Colombian labor market; this is why we are helping it. The Colombian Family Welfare Institute [ICBF] is also helping mothers who are heads of households with employment possibilities. These thousands of mothers, who bear the heavy burden of being both mother and father, have begun to get state support to educate their children and to have a productive job to raise them.

Dear friends, my government's slogan that this would be the people's government is not an empty phrase or a phrase that lacks content. It is a serious commitment that we are fulfilling and will continue to fulfill to the extent we can and to the last drop of our blood.

The people's government is here for the thousands of Colombians who have never felt the benefits of the state. The people's government is here for the poor elderly people of Choco who are receiving half of the minimum monthly salary as a pension. The people's government is here for the citizens of Boyaca who received their health identification card that allows them to demand attention at public hospitals. The people's government is here for the community mothers of Agua Blanca in Cali whose wages were increased. They are mothers who look after their neighbors' children. The people's government is here for La Plata peasants in Huila where we reopened the Agrarian Fund this week. The people's government is also here for students in the coastal area who can now complete their basic education. The people's government is here for the Indians in the Guajira region who have their salt processing enterprise in Manaure. The people's government is here for the children of the Pacific area who benefit from the ICBF food supplement program. We are giving peace to them and to all Colombians who benefit from the government's social programs because these programs are basically peace offers. Each job opening means that there will be one less guerrilla. Each job opening means that one militia man has been incorporated into society. Each job opening means that one more mule has rejected the temptation of selling drugs abroad to meet his basic needs.

As president, I also have dreams, not only nightmares. I dream of a better country for all Colombians; a country where tolerance will replace intransigence forever; a country where participation can replace apathy forever; a country where we will find more reasons to live than to kill ourselves. We are working to make the social jump succeed in order to make this dream come true. This social jump is not mine, it belongs to all of you. It is you who must defend it. The social jump belongs to the neediest Colombians. It belongs to those who believe in social justice and all those who live like I do: eager to have a Colombia that will fit our dreams. Good evening.

Colombia: Office Denies Warrant Against Attorney General

PA0105200096 Mexico City NOTIMEX in Spanish 1547 GMT 1 May 96

[FBIS Translated Text] Santa Fe de Bogota, 1 May (NOTIMEX) — The Prosecutor General's Office of Colombia clarified today the criminal situation of Attorney General Orlando Vasquez, who is being investigated for alleged links to drug trafficking, is still uncertain.

Spokesmen for the Prosecutor General's Office denied reports aired by Colombian television newscasts last night that a team of prosecutors assigned to the Supreme Court of Justice issued an arrest warrant against that official.

The Prosecutor General's Office stated that, although a criminal investigation is under way and the attorney general was interrogated, it is evaluating evidence to determine whether an arrest warrant ought to be issued.

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The statement regrets the information "war" involving the Colombian media amid the crisis facing Colombia as dozens of politicians are being investigated for allegedly receiving bribes from the drug trafficking mafia.

The Prosecutor General's Office spokesmen added this "war" has led to the broadcasting of unconfirmed reports or "scoops." They added a decision regarding Vasquez will be made next week, at the latest.

The "CM& Newscast" reported an arrest warrant had been issued against Vasquez after prosecutors determined the ranking official committed the crime of illegal enrichment by receiving funds from the drug trafficking mafias.

The newscast reported agents of the Technical Investigations Corp (CIT), which is an armed body under the Prosecutor General's Office, had started to search for the official, but the Prosecutor General's Office denied this news.

The case indicates Vasquez reportedly received money from companies belonging to Gilberto and Miguel Rodriguez Orejuela, top Cali cartel leaders. The money was delivered by former Senator Arlem Uribe, who was assassinated in 1995 in Medellin.

Former cartel treasurer Chilean Guillermo Pallomari recently said the drug traffickers gave Vasquez a luxurious house valued at $1 million that he reportedly transferred to a third party.

The mafiosos' accountant fled Colombia two years ago and reappeared in the United States in mid-1995. He became a DEA informant after surrendering to the authorities there.

Orlando Vasquez' name was also on a list of beneficiaries of the Rodriguez Orejula brothers, which was found in a raid conducted by the authorities.

The attorney general was interrogated last week. He claimed to be innocent of the charges and that he was being persecuted by the Prosecutor General's Office.

The Supreme Court of Justice ordered Congress last week to suspend Vasquez for 90 days, a suspension that could be extended for an equal period, for another investigation in which Vasquez allegedly presented false evidence against Prosecutor General Alfonso Valdivieso.

Vasquez had been investigating Valdivieso, without having the power to do so, for the alleged improper transfer of a plot of land to a nonprofit religious foundation to build a school for low-income people.

The court ruled the witnesses presented false evidence and later recanted, and thus, accused the attorney general of irregular conduct and of obstructing criminal justice.

Valdivieso is considered the leader of investigations within the so-called "narcoscandal" involving President Ernesto Samper and dozens of officials for the infiltration of illegal money from the Cali cartel to finance political campaigns.

Colombia: Attorney General Interviewed on Investigation

PA0205014796 Santa Fe de Bogota Radio Cadena Nacional in Spanish 2330 GMT 1 May 96

[Report by Reiner Beleno in Santa Fe de Bogota; from "RCN Radio News" newscast]

[FBIS Translated Text] Attorney General Orlando Vasquez Velasquez has broken his silence regarding his situation at the Supreme Court of Justice and the Office of the Prosecutor General of the Republic. In an exclusive interview with journalist Juan Ortiz Osorno, political editor of the Good Morning Colombia television newscast, the attorney general referred to all those issues in the following terms:

[Begin recording] [Ortiz, broadcast in progress] ....Vasquez Velasquez, who is currently being politically, ethically, and legally investigated. How do you explain the justice sector's investigation, so the country may understand it?

[Vasquez] What I can say about this case of the famous false witness, etc., is that the person actually exists. That person was here, right here where we are sitting now, and he explained his reasons for adopting one position and then another, and then finally telling the truth. It involves a person that filed a report or a complaint. I understand that this person is being protected by the National Police, upon instructions from the Supreme Court of Justice.

[Ortiz] In other words, the Attorney General has not forged evidence or presented false witnesses?

[Vasquez] No, no.

[Ortiz] Never?

[Vasquez] I wish I could show you the evidence to shed some light into the case.

[Ortiz] In other words, during your defense you will present the witness who is accused of being a false witness.

[Vasquez] No. There is no need to present him. The witness went to court. Furthermore, there is a series [pauses]....there are so many elements, and they are as

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convincing as this one. As far as I know, the witness is being protected by the Supreme Court of Justice.

[Ortiz] People believe things must be critical if the Supreme Court of Justice tells the attorney general: Leave your post for three months while we investigate you.

[Vasquez] I sincerely tell you that what I have done, my actions and behavior in that case, have been in compliance with the law, protecting a witness at a time when we must protect him. If a situation arises at a given time, and if we are asked to provide protection, as we have done with some of our officials — not only now, but in the past — we are dutybound to do it.

[Ortiz] Some people expect that, following the Supreme Court of Justice's decision to provisionally separate you from the post, you should have resigned. Why have not you resigned?

[Vasquez] Well, some people want me to resign — I do not know why — but I have not been condemned. I am waiting with absolute sincerity to clarify the situation with evidence and all the possibilities I have of doing this. Once everything is clear I will certainly leave the post and let the institutions, the country, and everything else continue normally. [end recording]

Colombia: Business Council To Wait for Ruling on Samper

PA3004200396 Santa Fe de Bogota EL TIEMPO in Spanish 30 Apr 96

[Received via Internet]

[FBIS Translated Text] The National Business Council [comprised of the country's 15 top business groups] will wait for the ruling from the Chamber of Representatives to make a final decision.

The National Business Council yesterday insisted that President Ernesto Samper Pizano resign to resolve the political crisis the country is experiencing.

In spite of this, the business associations will not turn their backs on the president for now, but will wait for the Chamber of Representatives to decide the fate of the president prior to reviewing their stand.

This was decided yesterday in a meeting that lasted more than six hours at the Narino Palace, after which the government and businessmen issued separate communiques agreeing to seek a consensus solution.

In the meeting, the National Business Council delivered a letter in which they requested that the president step down "once the pending constitutional steps, which the Council respects, have been fulfilled."

SAC [Association of Colombian Farmers] president Juan Manuel Ospina explained that the Council did not want to convince the president to leave, but came to discuss possible solutions.

"It was not a matter of convincing him, but of stating the position of the associations and initiating, on that basis, a discussion that may help resolve the crisis," he remarked.

The Council had announced a tough stance with respect to the president. Last night, after the meeting, the associations said that no alternative to resolve the crisis must be ruled out, and they affirmed that Samper's departure is the "position expressed by the National Business Council."

During the meeting, the strategy of Samper was to remind business associations that the drug-trafficking money not only entered politics, but also agriculture and construction. The SAC and Camacol [Colombian Construction Board] have been the more radical business associations in their criticism of the government.

Samper also talked about the economy, politics, and public order, and he accepted that the situation is critical.

When Development Minister Rodrigo Marin proposed a consensus solution to overcome the crisis, the business leaders requested one hour to study the initiative. During the business leaders meeting, which was held separately, most leaders decided to accept Marin's proposal, but it was learned that several of them disagreed. Finally, the business associations welcomed Samper's initiative to proposed a consensus solution. This is reflected on the separate communiques issued by the National Business Council and the government.

Present at Narino Palace were Sabas Pretelt de la Vega, of Fenalco [National Federation of Businessmen]; Cesar Gonzalez Munoz, of Asobancaria [Bankers Association]; Juan Manuel Ospina, of the SAC; William Fadul, of FASECOLDA [Union of Colombian Insurers]; Gustavo Tobon Londono, of Fedemetal [Colombian Metallurgical Federation]; Jaime Alberto Cabal, of ACOPI [Colombian Association of Small Industries]; Jorge Visbal Martelo, of Fedegan [National Cattle Breeders' Association]; Juan Carlos Villegas, of the ANDI [National Association of Industrialists]; Eugenio Marulanda, of Colfecar [expansion unknown]; Alberto Vasquez, of Camacol; and Carlos A. Garay, of Acoplasticos [Colombian Plastics Industry Association].

Representing the government were, in addition to Marin, outgoing Finance Minister Guillermo Perry, who was at the meeting for a few minutes; Agriculture and Livestock Minister Cecilia Lopez; Foreign Trade Minister

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Morris Harf; and Energy and Mines Minister Rodrigo Villamizar.

Colombia: Finance Minister's Reasons for Resigning Viewed

PA3004035796 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 29 Apr 96

[From the "National Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 0000 GMT on 30 April; passages within quotation marks recorded]

[FBIS Translated Text] In his letter of resignation, Minister Guillermo Perry says he is leaving the government to defend the government policies from the outside. Nevertheless, in the past few months, many of his decisions negated his economic policies, such as the setting up of the Agrarian Fund, a promise to create a Peasant Solidarity Fund, and increasing military spending. In other words, his departure from the government has more than one explanation.

According to analysts, Perry resigned because his management of the economy in the midst of the political crisis got out of hand.

[Eduardo Sarmiento, dean of the School of Engineering] "In addition, some doubts have been cast on the government's ability to govern. We are in the midst of the most serious economic indicators of the past 20 years."

Sarmiento and other analysts say Perry was unable to handle the public spending reduction and that, to top it off, he handed down to his successor a tax reform that was very tough on the country. The analysts cannot understand Perry's argument in which he says he is resigning to defend the government from the outside.

[Pedro Nel Ospina of the Federation for Development] "The Finance Ministry is the best possible position from which to defend an economic plan. From the outside, he will be just one more of a host of economists."

However, there are those who are going one step further and saying that Perry resigned to become a candidate in an eventual elections for congress vice president.

Colombia: 'Upcoming Decertification' on Rights Viewed

PA3004003796 Santa Fe de Bogota EL ESPECTADOR in Spanish 25 Apr 96 p A3

[From the "Itinerary" column by Luis Villar Borda: "The Other Decertification"]

[FBIS Translated Text] Almost unlike any other country, Colombia is experiencing much discredit at the international level. First, there came the famous, U.S., unilateral decertification on antidrug trafficking policy. Aside from the very problem of drug production and trafficking, we should ask why the Colombian Government has submitted this country to the examination of another nation. Regardless of how strong this reason might be, this constitutes a violation of the international principle of nonintervention.

This decertification itself was not the most serious matter, but the facts involved were true in the first place. Second, the pleas to prevent this decertification indeed authorized another nation to give a rating to Colombia.

The upcoming decertification in the area of human rights is, in fact, however, both undisputable and serious. In this regard, as every UN member nation, Colombia is committed to respect and to protect human rights, which are not only a part of the Constitution itself but, in addition, have been included in international agreements and treaties this country has signed. The aforementioned is considered from a merely legal viewpoint that adds to worldwide rejection of and protest against this constant, repeated disrespect for human rights in our country throughout many years.

The bureaucracy, including a large number of advisory boards, advisers, and rapporteurs, that has been created in connection with the human rights problem has not stopped whatsoever the increasing violence against the civil population, the main victim of every sort of violation and crime.

Promises made by the Colombian Government before various international organizations have not translated into concrete actions, as attested by the rapid increase in the number of homicides, disappearances, kidnappings, harassments, tortures, and so forth, according to the government's own official figures.

Regardless of whether a rapporteur is appointed or whether the United Nations decides to open an office, sanctions on the country are inevitable, and their consequences are not only moral but also economic, in addition to being more concrete than the costs originating from the first decertification.

The Colombian political crisis, which has resounded around the world, is, undoubtedly, an element that heightens the unfavorable conditions leading to a national solution to the problem of violence that has been dragging on for so many years. Hopefully, the stigma of being subject to universal discredit will lead all parties involved to reflect on the need to find solutions to a conflict that benefits no one but is increasingly harmful to the majority of the population.

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Colombia: Police Announce Arrest of 3d-Ranking ELN Leader

PA0105125496 Mexico City NOTIMEX in Spanish 2228 GMT 30 Apr 96

[FBIS Translated Text] Santa Fe de Bogota, 30 Apr (NOTIMEX) — The police have reported that Braulio Cabrera, alias "Jose," who is the alleged third leading man in Colombia's Army of National Liberation (ELN), was arrested today in the northern city of Barranquilla.

The source added that the rebel commander, who, according to reports by authorities, replaced Francisco Galan, who was also arrested, was caught inside a house located in this city on the Caribbean coast, where he was recovering from an eye condition.

"We have reports that he could be one of the top leaders of this rebel organization," local Police Chief Colonel Lino Pinzon told journalists in Barranquilla, located approximately 1,000 km north of Santa Fe de Bogota.

Cabrera has been accused of plotting and perpetrating attacks on military garrisons in northeastern Colombia, as well as of leading attacks on the oil infrastructure located in Santander, Cesar, and Norte de Santander Departments, the source pointed out.

Intelligence reports indicated that the arrested guerrilla leader joined the ELN leadership in the aftermath of Galan's arrest during a military operation carried out in the northeastern city of Bucaramanga in December 1992.

Pinzon also said that Cabrera had been in Barranquilla for several days, where he underwent medical tests. His whereabouts were discovered as a result of an intense surveillance operation, in which the Army and police participated.

The authorities affirmed that the rebel chief led one of the ELN fronts operating in northeastern Colombia, where the Cano Limon-Covenas oil pipeline, which is Colombia's main pipeline, is located.

The ELN, which has 4,000 guerrillas, ruled out any possibility of holding talks with the government of President Ernesto Samper, because the former believes the latter lacks moral guarantees to start peace negotiations.

The Colombian parliament is investigating Samper because of reports stating that the campaign that led him to the presidency received financial support from the Cali cartel in 1994.

Colombia: M-19 Group To Aim at Interests of 'Oligarchy'

PA3004190296 Madrid EFE in Spanish 1755 GMT 29 Apr 96

[FBIS Translated Text] Cali, Valle del Cauca Department, 29 Apr (EFE) — The rebel Jaime Bateman Cayon Group, a dissident faction of the disbanded April 19 Movement (M-19), will redirect its armed struggle at "higher war objectives," the news media reported in Cali.

Henceforth, "the interests of the oligarchy," not soldiers, will be the target of the subversive actions of this group, which a few days ago broke off peace talks with the Samper government.

The guerrilla group announced the change in a video it had sent to the national forum for peace held in the city of Florida, in southwestern Valle del Cauca. A leader of this faction identified as "Commander Rommel" warned that his group will not aim its actions against soldiers, whom it defined as "enemy cannon fodder."

"Our weapons will point at higher war objectives," the rebel chief explained, adding that "the interests of the oligarchy, its employees, companies, commercial dealings, and corruption are the fundamental targets of this struggle, and that is why we will point our rifles at them."

The Jaime Bateman Cayon Group, named in memory of the M-19 "general commander" who died six years ago in a strange air crash, comprises 400 guerrillas who rejected a peace accord signed in 1990 by the government and M-19.

Almost one month ago, the rebels of this dissident group gathered in the mountains of the town of Miranda, where they began actions leading to a peace accord, although they broke off talks last week.

Peru

Peru: Police Clash With Shining Path in Lima

PY0205025496 Lima America Television Network in Spanish 0100 GMT 2 May 96

[FBIS Translated Excerpt] A member of the Police bomb squad was wounded this morning when he tried to bring down a flag raised by Shining Path terrorists on top of the Melgarejo hill, La Molina district. The action became violent when the police clashed with the terrorists. One terrorist was captured. We have a report by Martin Calderon and Maria Luisa Rossello.

[Begin recording] [Calderon] An explosion was heard at 0920 this morning in La Molina. The Melgarejo

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hill, which is adjacent to the main office of the Bank of Credit and a residential area where policemen live, appeared this morning with red flag on top, and not far from there the police found a fuse box with a hammer and sickle. The police immediately ordered an operation. [passage omitted]

[Unidentified police officer] Personnel of the National Police carried out the operation. There was an explosive device, a red flag, and several booby traps. We found three, in addition to the one that exploded. One of our men was seriously wounded. There is no longer any danger, the explosive devices were deactivated. If you allow me I am going to the hospital to see my man. [end recording] [passage omitted]

Peru: Fujimori Seeks Life Sentence for Kidnappers

PY0105174096 Lima EXPRESO in Spanish
29 Apr 96 pp A4, A6

[FBIS Translated Excerpt] Peruvian President Alberto Fujimori announced yesterday that the executive branch will submit a bill next week to punish kidnappers with life imprisonment.

He said this punishment will be imposed on kidnappers whose action could result in the death of the victim, physical damage, or other aggravated situations.

He said that this measure, approved by the Council of Ministers during its last session, seeks to counterbalance the high crime rate prevailing in the country, and represents an answer to the benevolence with which those elements are sentenced by the judicial branch.

He cited, for instance, the case of the gang called "the Destroyers," whose members, sentenced to eight years' imprisonment, could be set free by the year 2000 with the benefit of the reduction of the sentence to half, called "two for one."

"Kidnappers are incorrigible, sick people. We have to be tough in the anti-crime fight," the president said, commenting on his announcement in an interview during the television program "Contrapunto."

If the bill is approved, the crime of kidnapping will be added to others such as rape, drug trafficking, and terrorism that contemplate life imprisonment for infringements.

During the interview, the president also referred to the scope of legislative decree 824, the Law Against Drug Trafficking.

He said that right now in the country "there are 70,000 drug addicts," representing "an alarming number" that needs to be neutralized urgently. [passage omitted]

Peru: Tudela Views Ties With Chile, Ecuador

PY0105165596 Lima EXPRESO in Spanish
28 Apr 96 p A2

[Interview with Foreign Minister Francisco Tudela by Jaime de Althaus; place and date not given]

[FBIS Translated Excerpt] [Althaus] Our main problem is the Ecuadoran front, and if we are to handle it in a calm manner, we should first solve the Chilean front. Nevertheless, in these past three years the administration has opened and closed this issue at whim. What certainty is there that the new process that has recently been opened, after the definite withdrawal of the Lima Conventions, will be handled expeditiously?

[Tudela] The situation in 1996 is completely different from that of 1992. The Lima Conventions have been the target of multiple objections, some of which are justified, for example those on free trade, because the railraod proposal was neither satisfactory nor adequate. Moreover, the administration was subjected to a very complex procedure and tied to an uncertain destiny regarding its sale. What we wanted to avoid in this regard is possible future dysfunctions through the signing of an international treaty because a convention — and I want to be emphatic about this — is exactly the same as a treaty and a protocol: They are the same legal tools. Therefore, it would have been tantamount to a modification of the 1929 Border Treaty. A new treaty that would create more pending obligations would be cumbersome.

Moreover, the modification of a treaty poses a problem regarding Peru's borders with its other four neigbhors, with which Peru has also signed treaties. A cascade of treaties would undermine Peru's international position regarding its borders.

[Althaus] If this is not going to be resolved through a treaty or a convention, what legal tool will be used to resolve it?

[Tudela] Through diplomatic tools. We are currently undertaking negotiations with the Chilean Foreign Ministry. There is a general consensus that a definitive solution to this problem should be found through reciprocal notes. These would establish procedures on how Chile will hand over the works it has built for Peru in a manner that is satisfactory for the two parties involved without establishing any pending obligations for future implementation. Herein lies the big difference between the new negotiations process and that of the Lima Conventions.

[Althaus] Could this be achieved by merely handing over the works, which could be done tomorrow?

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[Tudela] Precisely. What we are looking for is to achieve a practical solution that is compatible with the 1929 Treaty. [passage omitted]

[Althaus] The list of "subsistent impasses" has been disclosed in the course of Peruvian-Ecuadoran negotiations. It turns out that Ecuador has officially made an almost legitimate claim for sovereign access to the Amazon. Have we fallen into a trap, in a sort of dark alley? How are we going to resolve this problem?

[Tudela] There are two very well established things in the Quito Agreement: The list of subsistent impasses is not binding to the sides and they are definitive. Moreover, people look at the Ecuadoran list but not the Peruvian list, which clearly expresses our position and which is not binding with the Ecuadoran list. The commitment to engage in negotiations was made within the framework of the Itamaraty Peace Declaration. I like to make a comment on this which I hope is not too harsh: There is a very intricate relationship between military and diplomatic power. It is obvious that the 1995 conflict brought on a diplomatic situation which would not have ensued in any other way. I have inherited this situation. Peru has complied with the terms of an international agreement because it is a serious country that honors its commitments. It has acted in the best possible manner to define the Ecuadoran position, which has not been known for over 44 years. Therefore, when we refer to the list of "subsistent impasses," it implies that all theories about nullificaiton and non-executability vanish. it implies that everything encompassed in the Ecuadoran list of subsistent impasses is recognized as the valid border line between the two countries. This means that Ecuador's aspirations are circumscribed to four specific areas that add up to a total of 200 km. This means that 1,350 km of border have been reasserted through the list of "subsistent impasses."

[Althaus] And their aspiration of having a sovereign access to the Amazon? How can we accept a claim of this nature that is not encompassed in the Rio de Janeiro Protocol and that, therefore, cannot be alleged as a "subsistent impasse" within the framework of the protocol?

[Tudela] The Itamaraty Peace Declaration clearly states that Peru and Ecuador will disclose their "subsistent impasses." It is in compliance with this declaration that we cannot impede Ecuador in doing this. It would be unrealistic to assume that Peru will impede Ecuador from announcing its points of view by resorting to diplomatic subterfuge. After the Itamaraty Peace Declaration had been signed, Ecuador was fully entitled to issue its list of "subsistent impasses." We preferred to disclose them now to be able to discuss procedures with full knowledge of the facts.

It is obvious that Peru will not accept a modification of the Protocol or a second arbitration court ruling over that section of the border that has already been subjected to an arbitration ruling. In compliance with international law, arbitration rulings are definitive and conclusive. The issuance of the list of subsistent impasses allows us to carefully assess the Ecuadoran position which cannot be altered in the future. In view of this, we are able to discuss procedures in advance and to prepare the way for the discussions of basic issues in Brasilia with full knowledge of the situation.

[Althaus] What follows next?

[Tudela] The next step calls for the establishment of procedures to determine the steps to be adopted in case of any "delays" in the negotiations such as, for example, over Ecuador's aspirations to the Maranon-Amazonas. We must design procedures that will allow us to overcome these situations. We have to negotiate and study any eventual proposals that may be made, such as, for example, an Ecuadoran claim for a second arbitration court ruling, something which Peru will not accept as a basis for a mechanism to unblock the negotiations.

[Althaus] There have been rumors that the United States, particularly Luigi Einaudi, has suggested to the Peruvian Government the possibility of making territorial concessions to achieve a political solution to the problem. Is this true?

[Tudela] I must clearly assert that there has not been any proposal of this kind. If it ever was made, it would immediately be flatly and categorically rejected.

[Althaus] Negotiations with Ecuador will last quite a long time. Realistically speaking, how much longer can the MOMEP [Ecuador-Peru Military Observers Mission] remain in the demilitarized zone?

[Tudela] The MOMEP has extended its presence until June. We will see if the political situation has improved by June. It is obvious that the demilitarized zone will not last forever. We will have to seek formulas with great anticipation to formalize the situation in the area.

Uruguay

Uruguay: Minister Denies Role in Argentine Arms Sales

PY0105221296 Montevideo LA MANANA in Spanish 25 Apr 96 p 5

[FBIS Translated Excerpt] Defense Minister Raul Iturria has expressed his "complaint" to LA MANANA about

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the attempts being made to involve our country in the Argentine arms sales to Ecuador when this nation was at war with Peru. This was Iturria's response to a report datelined Lima in which Argentine Interior Minister Carlos Corach emphasized: "The arms were purchased and fraudulently sold by a Uruguayan company." [passage omitted]

In this regard, Iturria told LA MANANA that an investigation was conducted when the problem arose and "it became very clear that the Armed Forces, the Uruguayan companies, and the Uruguayan Government had nothing to do with this issue."

Iturria noted: "The ghost company's office in Ciudad Vieja District merely had a telephone and a desk. Therefore, it could have been established in any other country."

Iturria pointed out that the existence of this company in our country "does not mean that Uruguay had something to do with this deal." [passage omitted]

Uruguay: Communique Issued on Situation in Lebanon

PY2904133096 Montevideo LA MANANA in Spanish 23 Apr 96 p 7

[FBIS Translated Text] The Uruguayan Government deeply regrets the loss of human life following the bombing of a United Nations Interim Force in Lebanon (UNIFIL) camp.

The government emphasizes deep concern over actions that jeopardize the peace process in that region and renews its call on all parties to settle their controversies through peaceful means.

Venezuela

Venezuela: Minister Rejects Possibility of 'Turmoil'

PA0205010696 Caracas Venezolana de Television Network in Spanish 0230 GMT 30 Apr 96

[Report by Fernando Porte]

[FBIS Translated Text] Interior Minister Jose Guillermo Andueza has reiterated that there is no threat of social turmoil in the country.

[Porte] Interior Minister Jose Guillermo Anduez flatly rejected an alleged sociopolitical assessment drafted by the Jesuits in Venezuela, particularly the (Jumilla) Center. Their study concludes that a social uprising is imminent in Venezuela in the wake of the country's difficult situation.

[Begin Andueza recording] This analysis is the result of some people's imaginations. These people think the current process might somehow erupt. I believe this alleged social stir will not happen. [end recording]

[Porte] According to a report published by the U.S. newspaper, THE MIAMI HERALD, 70,000 Venezuelan nationals have left for Miami in recent years to live and establish businesses. Andueza believes this report might be true. However, the Directorate of Identification and Alien Affairs should confirm this information after an investigation.

[Begin Andueza recording] Obviously, the country's economic hardships might have prompted some people to believe they were going to have a better life in the United States, despite the strong racism against Latin Americans [words indistinct]. [end recording]

[Porte] Concerning the report by the Venezuelan political officers indicating that there is a Muslim fundamentalist terrorist cell operating in the state of Nueva Esparta, Andueza noted that he has never heard about it.

Venezuela: Nation To Protest Florida Orimulsion Decision

PA3004150396 Caracas Venezolana de Television Network in Spanish 0230 GMT 27 Apr 96

[Report by anchor William Bracamonte and journalist Milensky Oropeza in Caracas]

[FBIS Translated Text] [Bracamonte] Venezuela will file a protest with the corresponding international organizations because of the State of Florida's refusal to purchase Orimulsion, Monagas State Governor Luis Eduardo Martinez said during the meeting of regional authorities.

[Oropeza] Two Orimulsion facilities currently being built in our country have guaranteed markets in Lithuania, Germany, and Asian countries. The Florida case only compromises the construction of a fourth plant, scheduled for 1998.

[Begin Martinez recording] The decision is a result of the pressure exerted by U.S. groups, particularly energy lobbyists. We are convinced that this first decision, adopted by Florida Governor Chiles, can be revoked, as was done in Europe. Therefore, the strategy we must [words indistinct] Europe and prove Orimulsion is a much more cleaner and cheaper fuel, and it basically generates more energy than alternate sources, particularly coal. [end recording]

During the meeting, the participants also discussed the transfer of 23 health sector facilities in 1997. They also reviewed the immediate construction of justice palaces in nine states.

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